



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *MCKIE/HATCHER* UNIT NO.: *19C* MODEL NO.: *1800*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *Sept 27, 1992*, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Sharon McKie 9/27/92

BUYER

DATE

X Charles McKie 9/27/92

BUYER

DATE

BUYER

DATE

BUYER

DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031906

AMENDMENT TO PURCHASE AGREEMENT

SELLER: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYERS: CHARLES AND JULIA STEINBERG
PROPERTY: 45 CORNERSTONE LANE, NEWARK, NJ 07103
BUILDING: 19 UNIT: D

The Purchase Agreement on the above referenced property is hereby amended to delete Charles Steinberg as a buyer. The contract is now solely in the name of Julia Steinberg.

Charles Steinberg

Charles Steinberg

Julia Steinberg

Julia Steinberg

K. Hovnanian Vice Pres.
K. Hovnanian at Newark Urban Renewal Corp. III, Inc.

KHOV031913

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CHARLES STEINBERG AND JULIA STEINBERG, H/W

the GRANTEE

about to reside at 45 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$142,687.67 ONE HUNDRED FORTY TWO THOUSAND SIX HUNDRED EIGHTY SEVEN AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

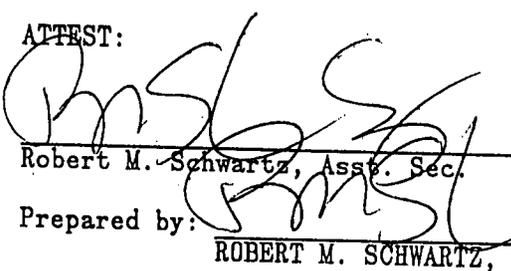
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

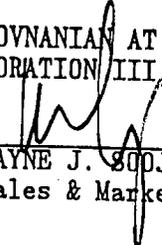
Being also known as Lot No. 19.04, in Block No. 406, on the tax map of the City of Newark.

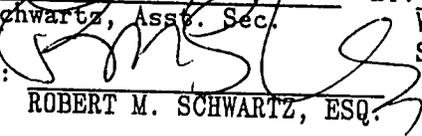
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Assp. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

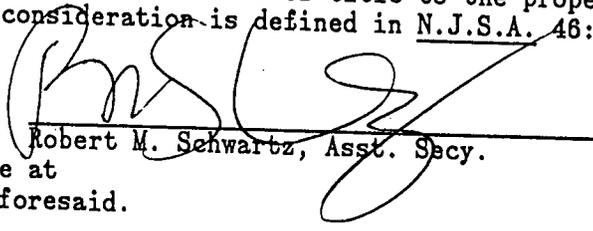
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

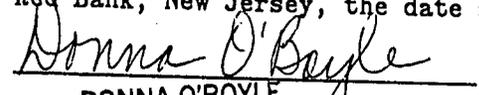
KHOV031921

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 27, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 142,687.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27TH day of MAY, 1993.

GRANTEE CHARLES STEINBERG GRANTEE JULIA STEINBERG

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 27TH day of MAY, 1993, before me, the subscriber CHARLES AND JULIA STEINBERG, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
CHARLES STEINBERG AND JULIA STEINBERG

CHARGE, RECORD AND RETURN TO JON A. FELDMAN, ESQUIRE
4 SLOAN STREET, SOUTH ORANGE, NJ 07079

KHOV031922

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A

St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 2000000
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CHARLES STEINBERG AND JULIA STEINBERG, H/W Fidelity Limit: \$100,000.
LOC: 45 CORNERSTONE LANE, NEWARK, NJ 07103 (19D) LOT: 19.04 BLOCK: 406

KH0V031931

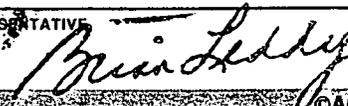
CERTIFICATE HOLDER

: N/A

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

RICHLAN, LUPO & PRONESTI

PROFESSIONAL LAND SURVEYORS



55 HECKEL STREET
BELLEVILLE, N. J. 07109

TEL: (201) 450-0170
FAX: (201) 450-0828

RE: Society Hill At University Heights III
A Condominium
Street No. 45 Cornerstone Lane
City Of Newark
Essex County, New Jersey

CERTIFIED TO:

CHARLES STEINBERG AND JULIA STEINBERG, H/W
FIRST AMERICAN TITLE INSURANCE COMPANY, EASTERN TITLE AGENCY
JON A. FELDMAN, ESQUIRE

I hereby certify that Condominium Unit Number 19D, Building Number 19, Lot 19.04, Block 406, has a percentage of interest in common elements of 0.1964 and assigned Parking Space Number 19D, is located as indicated on a Survey Map entitled "Plan Of Property, Society Hill At University Heights III, A Condominium, Phases 15 to 36, City Of Newark, Essex County, New Jersey", dated September 14, 1992, prepared by Richlan, Lupo & Pronesti, P.A., Land Surveyors, is annexed to and made part of a Master Deed entitled "Society Hill At University Heights III, A Condominium", dated December 20, 1990 and recorded in the Essex County Registers Office on December 21, 1990 in Deed Book 5151, Page No. 509, and by first amendment in Deed Book 5151, Page No. 611; and by second amendment in Deed Book 5160, Page No. 593, and by the third amendment, in Deed Book 5183, Page 481; and by the fourth amendment, deed dated November 21, 1991 and recorded in the Essex County Registers Office on January 27, 1992 in Deed Book 5199, Page 213.

Gerard A. Lupo, P.L.S.
N.J. Lic. No. 14814

MAY 20, 1993

Date

KHOV031932



___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: STEINBERG
Lot: 19.04 Block: 406
Address: 45 Cornerstone Lane
Newark, NJ 07103

Closing date: 5-28-93
Deed Amount: 142,687.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Charles Stanley
Buyer

Julia Steinberg
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031934

AR

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): CHARLES STEINBERG (#) of 216 NORFOLK STREET
Tel: Res: (201) 623-5412 NEWARK
Bus: (201) 624-9821 NJ ,07103.

JULIA STEINBERG (W) of 216 NORFOLK STREET
Tel: Res: (201) 623-5412 NEWARK
Bus: (201) 507-6209 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.04
BLDG NO.: 19 , UNIT NO: D , MODEL: TPF61800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-FEB-1993
ON SIGNING CONTRACT \$1,000.00 ON DATE 20-FEB-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 22-MAR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLCBL
Estimated COMPLETION DATE: 15-MAR-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.
(SELLER) DATE 1.6.93
Charles Steinberg (BUYER) DATE 2-20-93
Julia Steinberg (BUYER) DATE 2-20-93

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV031935

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of February, 1993

Buyer: x Charles Stevley

Lisa M. Weems

Buyer: x Julia Stevley

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Charles Stevley 2-20-93
BUYER DATE

x Julia Stevley 2-20-93
BUYER DATE

BY: Wayne 4-6-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV031939



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs. *Steinberg* UNIT NO.: 19D MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 5/30, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Charles Steinberg 2-20-93 BUYER DATE

x Julie Steinberg 2-20-93 BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV031940

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Charles Steinberg

Julia Steinberg

Buyer.

UNIT D, BLDG. 19

PURCHASE AGREEMENT DATED: 2/20/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 144,662.67

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 9717.67

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 0.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 0.00

Balance due at closing
(cash of certified check) \$ 144,662.67

Total Purchase Price \$ 144,662.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ N/A

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by N/A, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV031943

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 4.6.93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE 4/3/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x Charles Stanley

Sisa Weems

x Julia Stanley

FORMS DS/PR/INCE
2/12/90

KHOV031944

THIS INDENTURE
(Site C and E)

Dated APRIL 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CAROL A. JENKINS, UNMARRIED AND DOMINIC D. ABBONDANTE, UNMARRIED

the GRANTEE

about to reside at 47 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,134.67
ONE HUNDRED NINETEEN THOUSAND ONE HUNDRED THIRTY FOUR AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

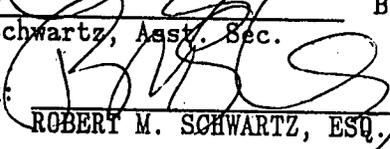
Being also known as Lot No. 19.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

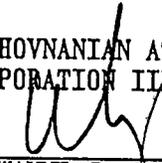

Robert M. Schwartz, Asst. Sec.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

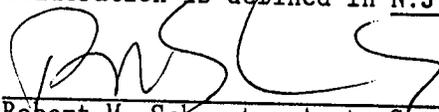
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

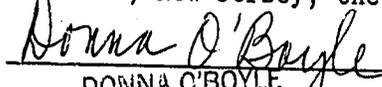
KHOV031957

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 30, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,134.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 8, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of APRIL, 1993.

GRANTEE CAROL A. JENKINS GRANTEE DOMINIC D. ABBONDANTE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of APRIL, 1993, before me, the subscriber CAROL A. JENKINS AND DOMINIC D. ABBONDANTE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
CAROL A. JENKINS AND DOMINIC D ABBONDANTE

CHARGE, RECORD AND RETURN TO RICHARD K. SILBERBERG, ESQUIRE
28 MILLBURN AVENUE, P.O. BOX 226
SPRINGFIELD, NJ 07081

KHOV031958

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeke Sharkey & MacBear
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY BINDER <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.		1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents BINDER		1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CAROL A. JENKINS, UNMARRIED AND DOMINIC C. ABBONDANTE, UNMARRIED Fidelity Limit \$100,000.
 LOC: 47 CORNERSTONE LANE, NEWARK, NJ (19E) LOT: 19.05 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV031966

010036000



February 17, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

____ Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: JENKINS/ABBONDANTE
Lot: 19.05 Block: 406
Address: 47 Cornerstone Lane
Newark, NJ 07103

Closing date: 4-30-93
Deed Amount: 119,134.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Dominic Abbondante
Buyer

Carol A. Jenkins
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



KHOV031971

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CAROL A. JENKINS (CJ) of 12 WILBURTON PLACE
Tel: Res: (201) 484-6496 NEWARK
Bus: (201) 538-1800 NJ ,07104.

DOMINIC D. ABBONDANTE (DA) of 12 WILBURTON PLACE
Tel: Res: (201) 484-6496 NEWARK
Bus: (201) 817-5926 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.05
BLDG NO.: 19 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-FEB-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-FEB-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 19-MAR-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,400.00 MORTGAGE CONTINGENCY DATE: 18-APR-1993
Estimated COMPLETION DATE: ~~14-FEB-1993~~
2-9/26/93 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

Handwritten signatures and dates for buyers: Carol A. Jenkins (2/21/93), Dominic Abbondante (2-21-93), and two blank entries for other buyers.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV031972

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 20 day of February, 1993.

Buyer: Care a Jenkins

[Signature]

Buyer: Dominic Abbondante

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Care a Jenkins 2/20/93
BUYER DATE

Dominic Abbondante 2-20-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35 P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 2-22-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV031976

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

CAROL A. JENKINS AND
DOMINIC ABBONDANTE
_____, Buyer.

UNIT E, BLDG. 19

PURCHASE AGREEMENT DATED: 2/17/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 120,009.67

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>4059.67</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,478.50</u>	due on <u>3/19/93</u>
Additional deposit	\$ <u>121.79</u>	due on _____
Total deposit	\$ <u>3,600.29</u>	
Balance due at closing (cash of certified check)	\$ <u>116,409.38</u>	
Total Purchase Price	\$ <u>120,009.67</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

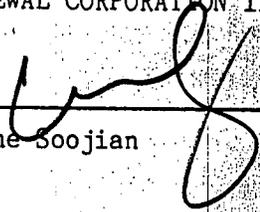
\$ 116,400.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 4/18/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-20-93

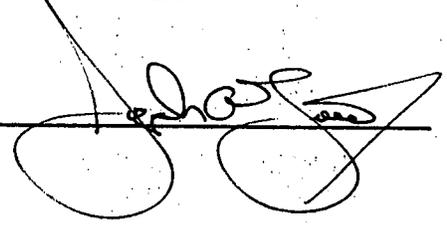
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

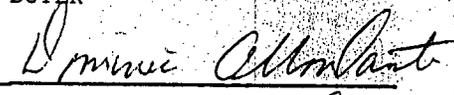


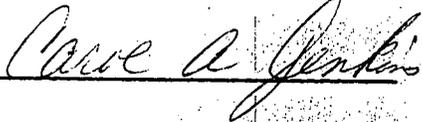
Wayne Soojian

DATE 3/20/03

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"




FORMS DS/PR/INCE
02/12/90

KHOV031979



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *JENKINS / ABANDONED* UNIT NO.: *19E* MODEL NO.: *1400813 GARAGE*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *2/20/93*, ~~1992~~
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

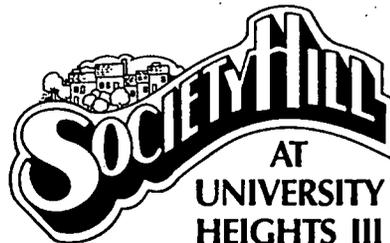
*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Carol a Jenkins *2/20/93*
BUYER DATE

Dominica Attendant *2-20-93*
BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031980

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 22, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ABDUL R. AMADU-SUKA, MARRIED *AK*

the GRANTEE

about to reside at 49 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$125,638.98 ~~ONE HUNDRED TWENTY FIVE THOUSAND SIX HUNDRED THIRTY EIGHT AND .98/100~~ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:
Unit No. F, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.06, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

Robert M. Schwartz
Robert M. Schwartz, Ass't. Sec.
Prepared by: *Robert M. Schwartz*
ROBERT M. SCHWARTZ, ESQ.

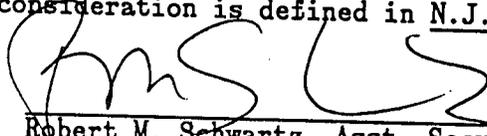
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: *Wayne J. Sodjian*
WAYNE J. SODJIAN,
Sales & Marketing Director

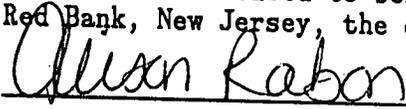
KHOV031989

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 22, 19 94 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 125,638.98.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 22ND day of FEBRUARY, 19 94.

GRANTEE ABDUL R. AMADU-SUKA

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 22ND day of FEBRUARY, 19 94, before me, the subscriber ABDUL R. AMADU-SUKA, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to

ABDUL R. AMADU-SUKA

CHARGE, RECORD AND RETURN TO

HARRY FRIELAND, ESQUIRE
ONE RIVERFRONT PLAZA
NEWARK, NJ 07102

KHOV031990



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

09/09/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED; NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARDUL R. AMADU-SUKA, MARRIED
LOC: 49 CORNERSTONE LANE, NEWARK, NJ 07103 (19F) LOT: 19.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV031997

010036000



FEBRUARY 22, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AMADU-SUKA
Lot: 19.06 Block: 406
Address: 49 CORNERSTONE LANE
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 22, 1994

Deed Amount: \$125,638.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

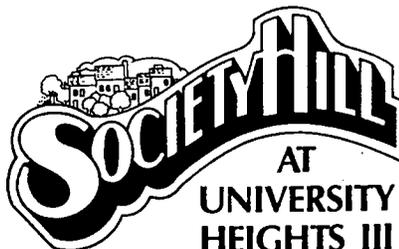
Please change your account records immediately to reflect the above.

Very truly yours,

ABDUL R. AMADU-SUKA

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032003



FEBRUARY 22, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AMADU-SUKA
Lot: 19.06 Block: 406
Address: 49 CORNERSTONE LANE
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 22, 1994

Deed Amount: \$125,638.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

ABDUL R. AMADU-SUKA

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032004

SUMMARY OF BASIC PROVISIONS

ak IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ABDUL R. AMADU-SUKA (*h*) of 16 MARSHALL STREET APT #5K
 Tel: Res: (201) 371-0717 IRVINGTON
 Bus: () - NJ ,07111.

MAMIE M. AMADU-SUKA (*w*) of 16 MARSHALL STREET APT #5K
 Tel: Res: (201) 371-0717 IRVINGTON
 Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 19.06
 BLDG NO.: 19 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
 Consisting of:
 BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	29-AUG-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	29-AUG-1993
	ADDITIONAL DEPOSIT	\$ 2,688.50	BY DATE	28-SEP-1993
	BALANCE at CLOSING	\$120,261.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$122,950.00		

MORTGAGE AMOUNT : \$116,800.00 MORTGAGE CONTINGENCY DATE: 28-OCT-1993
 Estimated COMPLETION DATE: 15-MAR-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

<i>[Signature]</i>	<u>8/29/93</u>
(BUYER)	DATE
<i>[Signature]</i>	<u>8/29/93</u>
(BUYER)	DATE
_____	_____
(BUYER)	DATE
_____	_____
(BUYER)	DATE

[Signature] 9.1.93
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

The undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 29 day of August, 1993.

Buyer: Annade Suba

[Signature]

Buyer: Mare Suba

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Annade Suba 8/29/93
BUYER DATE

Mare Suba 8/29/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 9.1.93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032015

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: F

The Purchase Agreement between Abdul R. Amadu-Suka BUYER(S)

Mamie M. Amadu-Suka BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/1/93

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 125,638.98
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 6,647.50
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,991.48
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 118,900.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 125,638.98

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 12/24/93
DATE

X Abdul R. Amadu-Suka
BUYER

X Mamie M. Amadu-Suka
BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032017

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Abdul R. Amadu-Suka

Mamie M. Amadu-Suka, Buyer.

UNIT: F BLDG. 19

PURCHASE AGREEMENT DATED: 9/1/93

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$1480.00

✓ (2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

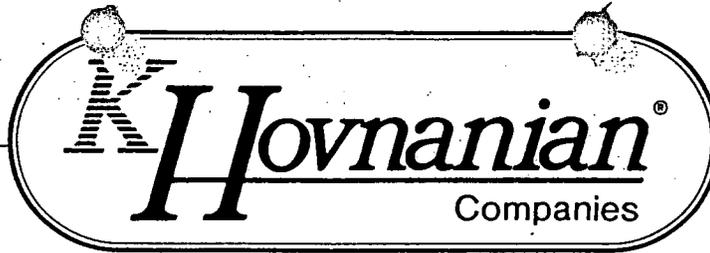
DATE 12/22/93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

DATE 12/24/93

"BUYER"
X [Signature]
X [Signature]

WITNESS AS TO SIGNATURES
OF ALL BUYERS:



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

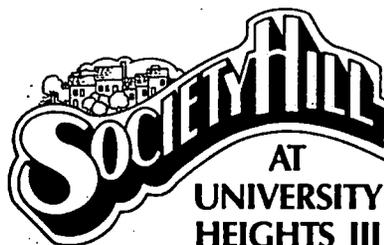
TO: AMADU-SOKA BLDG./UNIT NO: 19F MODEL NO: 1500-BB

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/29, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Buyer signature and date 8/29/93, Buyer signature and date 8/29/93, Buyer, Buyer



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032019

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JAMES A. FORBES, MARRIED

the GRANTEE

about to reside at 38 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$128,953.89 ONE HUNDRED TWENTY EIGHT THOUSAND NINE HUNDRED FIFTY THREE AND 89/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90 in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV032031

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

5/27/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5,000,000 PRODUCTS-COMP/OP AGG. \$ 3,000,000 PERSONAL & ADV. INJURY \$ 3,000,000 EACH OCCURRENCE \$ 50,000 FIRE DAMAGE (Any one fire) \$ 500,000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JAMES A. FORBES, MARRIED
LOC: 38 MARROW STREET, NEWARK, NJ 07103 (19G) LOT: 19.07 BLOCK: 406

KHOV032036**CERTIFICATE HOLDER**

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature] 010036000



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FORBES
Lot: 19.07 Block: 406
Address: 38 MARROW STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: May 27, 1994
Deed Amount: 128,953⁸⁹
Certificate of
Occupancy date: 2-17-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

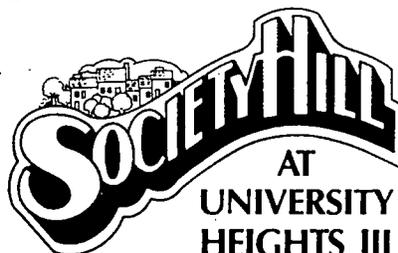
Please change your account records immediately to reflect the above.

Very truly yours,

James A. Forbes
JAMES A. FORBES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032040



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FORBES
Lot: 19.07 Block: 406
Address: 38 MARROW STREET
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: May 27, 1994
Deed Amount: 128,953.89

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The above described property was sold by K. Hovnanian at Newark Urban
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took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

James A. Forbes
JAMES A. FORBES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032041

SUMMARY OF BASIC PROVISIONS

IC19

The SELLER: K. HOVNANIAN NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JAMES A FORBES (M) of 11 MAPLE STREET/APT C9
Tel: Res: (718) 462-6177 BROOKLYN
Bus: (917) 784-6610 NY 11225.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 19.07
BLDG NO.: 19 UNIT NO: 0 MODEL: TPEIG1500-BB

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-MAR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 19-MAR-1994
ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 18-APR-1994
BALANCE at CLOSING \$119,261.50 PAID by CERTIFIED CHECK
Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 18-MAY-1994
Estimated COMPLETION DATE: 14-FEB-1993
BY MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.
[Signature] 3/19/94
(SELLER) DATE

x James A Forbes 3/19/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032043



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 19th day of March, 1994.

Buyer: James A Folted

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

James A Folted 3/19/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Laura Vanvelthoven 3/20/94
LAURA VANVELTHOVEN DATE
SALES MANAGER

KHOV032047

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 19 UNIT: G

The Purchase Agreement Between James A. Forbes, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 3/19/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,568.89
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,568.89
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 126,650.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,953.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE

James Forbes
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

James A. Forbes

_____, Buyer.

UNIT: G BLDG.: 19 PURCHASE AGREEMENT DATE: 3/19/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnanian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

* James Forbes 4/9/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV032053



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. Forbes

BLDG/UNIT: 19G

MODEL: 1500

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/18, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

James A Forbes 3-19-94 BUYER DATE BUYER DATE BUYER DATE BUYER DATE



KHOV032056

THIS INDENTURE
(Site C and E)

Dated JULY 29, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLIVER L. BRAITHWAITE, MARRIED

the GRANTEE

about to reside at 36 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,953.11
ONE HUNDRED NINETEEN THOUSAND NINE HUNDRED FIFTY THREE AND 11/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.08, in Block No. 406, on the tax map of the City of Newark.

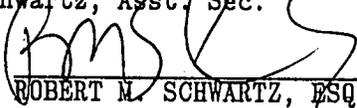
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

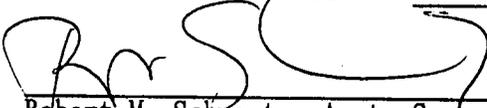
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

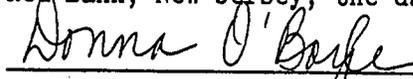
KHOV032066

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 29, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,953.11.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 29TH day of JULY, 1993.

GRANTEE OLIVER L. BRAITHWAITE GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29TH day of JULY, 1993, before me, the subscriber OLIVER L. BRAITHWAITE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
OLIVER L. BRAITHWAITE

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER-KING, JR. BLVD.
NEWARK, NJ 07102

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill 2 University Hts.III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000 PRODUCTS-COMP/OP AGG. \$ 100000 PERSONAL & ADV. INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY

7/27/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLIVER L. BRAITHWAITE, MARRIED **Fidelity Limit: \$100,000.**
LOC: 36 MARROW STREET, NEWARK, NJ 07103 (19H) LOT: 19.08 BLOCK: 406

CERTIFICATE HOLDER

K. HOVANANIAN MORTGAGE, INC.
 THEIR SUCCESSORS AND/OR ASSIGNS
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 010036000



April 4, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

____ Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BRAITHWAITE
Lot: 19.08 Block: 406
Address: 36 Marrow Street
Newark, NJ 07103

Closing date: 7-29-93
Deed Amount: 119,953.11

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Chris L. Braithwaite
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032078

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): OLIVER L BRAITHWAITE (M) of 20 MARSHALL STREET/APT 3F
 Tel: Res: (201) 416-8268 IRVINGTON
 Bus: (718) 963-4946 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 405 , LOT NO: 19.08
 BLDG NO.: 19 , UNIT NO: H , MODEL: 1PTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	03-APR-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	03-APR-1993
	ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	03-MAY-1993
	BALANCE at CLOSING	\$	112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 02-JUN-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hoynanian at Newark - Urban Renewal Corporation III, Inc.	<i>[Signature]</i>	4/13/93
(SELLER)	(BUYER)	DATE
	(BUYER)	DATE
	(BUYER)	DATE
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032080



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of April, 1993.

Buyer: *Chris L. Brathwaite*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Chris L. Brathwaite 4/3/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne* 4.6.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032084

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Oliver Braithwaite

_____, Buyer.

UNIT # , BLDG. 19

PURCHASE AGREEMENT DATED: 4/6/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$121,538.11

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>5588.11</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,161.64</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ <u>2,478.50</u>	due on <u>5/1/93</u>
Total deposit	\$ <u>3640.14</u>	
Balance due at closing (cash of certified check)	\$ <u>117,891.97</u>	
Total Purchase Price	\$ <u>121,538.11</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 109,350.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/2/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032086

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.4.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 5/1/93

"BUYER"

Oliver L. Benthwaite

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Lia Weiss

FORMS DS/PR/INCE
2/12/90

KHOV032087

THIS INDENTURE
(Site C and E)

Dated JULY 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND MARY RIBEIRO, UNMARRIED

the GRANTEE

about to reside at 30 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,526.63 ONE HUNDRED TWENTY ONE THOUSAND FIVE HUNDRED TWENTY SIX AND 63/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. K, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.11, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz Asst. Sec.

BY: Wayne J. Soojian

WAYNE J. SOOJIAN,
Sales & Marketing Director

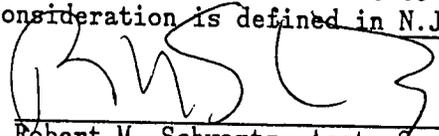
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

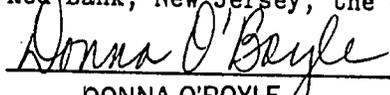
KHOV032102

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 30, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 121,526.63.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of JULY, 1993.

GRANTEE MARY RIBEIRO GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of JULY, 1993, before me, the subscriber MARY RIBEIRO, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
MARY RIBEIRO

CHARGE, RECORD AND RETURN TO JEFFREY FOUSHEE, ESQUIRE
3 NORTH ARLINGTON AVENUE, EAST ORANGE, NJ 07017

KHOV032103

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A

St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000 PRODUCTS-COMP/OP AGG. \$ 100000 PERSONAL & ADV. INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY

7/28/93
SD

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MARY RIBEIRO, UNMARRIED
LOC: 30 MARROW STREET, NEWARK, NJ 07103 (19K) LOT: 19.11 BLOCK: 406

Fidelity Limit: \$100,000.

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

KH0V032109

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



May 3, 1993

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: RIBEIRO
Lot: 19.11 Block: 406
Address: 30 Marrow Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Closing date: 7-30-93
Deed Amount: 121,526.63

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Mary Ribeiro
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032114

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): WANDA F BISHOP (u) of 1765A MANOR DRIVE
 Tel: Res: (201) 416-9221 IRVINGTON
 Bus: (201) 645-5914 NJ 07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 19.10
 BLDG NO.: 19 , UNIT NO: J , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	20-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20-SEP-1992
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	20-OCT-1992
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 19-NOV-1992
 Estimated COMPLETION DATE: 15-MAR-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Wanda F. Bishop
 (BUYER) DATE

(SELLER)

DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701.

KHOV032115



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor, designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 27 day of September, 1992.

Buyer: Granda Jane Bishop

[Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Granda Jane Bishop 9/27/92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701. (908) 747-7800

BUYER DATE

BY: [Signature] 9-30-92
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032119

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: K

The Purchase Agreement between Mary Ribic BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/1/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,561.63
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,706.85
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,854.78
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 119,850.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,526.63.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

6/5/93
DATE

Mary Ribic
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: WS
WAYNE SOGJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

AR

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

WANDA F. BISHOP

_____, Buyer.

UNIT J, BLDG. 19

PURCHASE AGREEMENT DATED: 9/20/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 144,605.84

Consisting of:
BASE PRICE of MODEL: \$ 134,950.00
and Premiums:
DS Number \$ _____
\$ 9,655.84
\$ _____
\$ _____

B) THE PAYMENT TERMS:
Deposit previously paid \$ 1,000.00
Deposit balance due \$ 3,048.50 due on 10/20/92
Additional deposit \$ 289.38 due on 12/22/92
Total deposit \$ 4,337.88
Balance due at closing \$ 140,267.96
(cash of certified check)
Total Purchase Price \$ 144,605.84

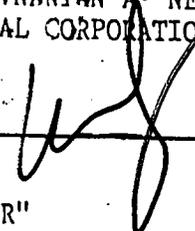
C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:
\$ 135,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/19/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

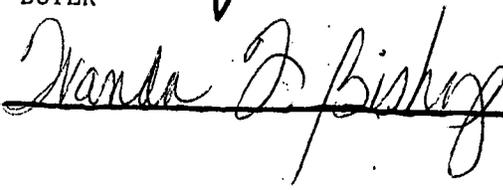
(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE 12/23/92

"BUYER"


WITNESS AS TO SIGNATURE
OF ALL BUYERS:



FORMS DS/PR/INCE
2/12/90

THIS INDENTURE
(Site C and E)

Dated MAY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W

the GRANTEE

about to reside at 34 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$141,525.28 ONE HUNDRED FORTY ONE THOUSAND FIVE HUNDRED TWENTY FIVE AND 28/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. I, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

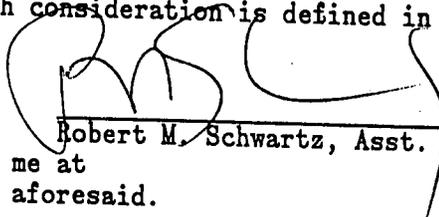
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

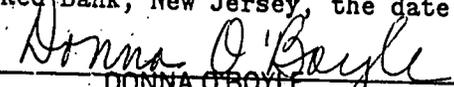
KHOV032136

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 26, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 141,525.28.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26TH day of MAY, 1993.

GRANTEE GEORGE W. REYNOLDS GRANTEE ELIZABETH T. PERRY

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 26TH day of MAY, 1993, before me, the subscriber GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
GEORGE W. REYNOLDS AND ELIZABETH T. PERRY

CHARGE, RECORD AND RETURN TO ANTHONY J. LARUSSO, ESQUIRE
175 FAIRFIELD AVENUE, UNIT 1C
WEST CALDWELL, NJ 07006

KHOV032137

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeke Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND <input type="checkbox"/> EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W Fidelity Limit: \$100,000.
 LOC: 34 MARROW STREET, NEWARK, NJ 07103 (19I) LOT: 19.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032146

010036000

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Merker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

300 Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS-COMP/OP AGG. \$ 1,000,000
					PERSONAL & ADV. INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
MED. EXPENSE (Any one person) \$ 5,000					
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W Fidelity Limit: \$100,000.
 LOC: 34 MARROW STREET, NEWARK, NJ 07103 (191) LOT: 19.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032147

010036000



March 6, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: PERRY/REYNOLDS
Lot: 19.09 Block: 406
Address: 34 Marrow Street
Newark, NJ 07103

Closing date: 5-26-93
Deed Amount: 141,525.28

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032152

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

ar

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ELIZABETH T PERRY (W) of 77 MONTROSE AVENUE
 Tel: Res: (201) 761-5371 SOUTH ORANGE
 Bus: (201) 824-9201 NJ ,07079.

GEORGE W REYNOLDS (H) of 77 MONTROSE AVENUE
 Tel: Res: (201) 761-5371 SOUTH ORANGE
 Bus: (201) 824-9201 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 19.09
 BLDG NO.: 19 , UNIT NO: 1 , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	05-MAR-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	05-MAR-1993
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	04-APR-1993
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 04-MAY-1993
 Estimated COMPLETION DATE: 15-MAR-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.	<i>[Signature]</i>	3/5/93
(SELLER)	DATE	DATE
	<i>[Signature]</i>	3/5/93
	(BUYER)	DATE
	<i>[Signature]</i>	
	(BUYER)	DATE
	<i>[Signature]</i>	
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of March, 1993.

Buyer: [Signature]

Lisa M. Weems

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 3/5/93
BUYER DATE

[Signature] 3/5/93
BUYER DATE

BY: [Signature] 3-9-93
WAYNE SOOJAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032158

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Elizabeth T. Perry

George W. Reynolds

, Buyer.

UNIT I, BLDG. 19

PURCHASE AGREEMENT DATED: 3/5/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 142,760.28

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 7810.28

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 141,760.28

Total Purchase Price \$ 142,760.28

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 138,450.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 5/4/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032160

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wf

DATE March 19, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

[Signature]

Sara Weiss

x George W. Reynolds

FORMS DS/PR/INCE
2/12/90

KHOV032161



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Elizabeth Perry UNIT NO.: 19E MODEL NO.: 1800
George Reynolds

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/5, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

George J. Reynolds 3/5/93
BUYER DATE

George W. Reynolds 3/5/93
BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032166

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WANDA F. BISHOP, UNMARRIED

the GRANTEE

about to reside at 32 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$142,380.84

ONE HUNDRED ~~FOURTY TWO THOUSAND THREE HUNDRED EIGHTY AND 84/100~~ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. J, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

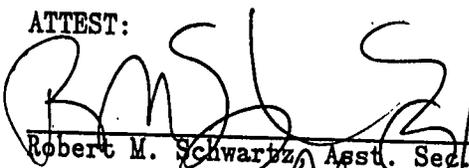
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

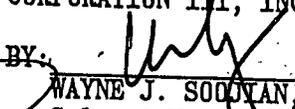
Being also known as Lot No. 19.10, in Block No. 408, on the tax map of the City of Newark.

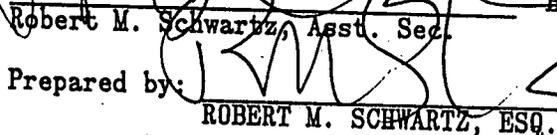
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

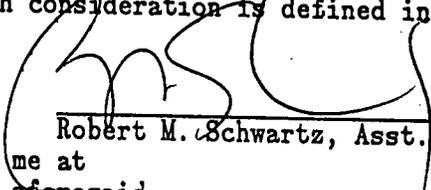
BY: 
WAYNE J. SULLIVAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

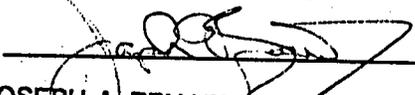
KHOV032176

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 142,380.84.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25 day of FEBRUARY 1993

GRANTEE WANDA F. BISHOP GRANTEE _____

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 25 day of FEBRUARY, 1993 before me, the subscriber WANDA F. BISHOP, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
WANDA F. BISHOP

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
35 IRVING STREET, MONTCLAIR, NJ 07042

KHOV032177

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeke Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine
COMPANY LETTER B
COMPANY LETTER C
COMPANY LETTER D
COMPANY LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000 PRODUCTS-COMP/OP AGG. \$ 100000 PERSONAL & ADV. INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	CERTIFIED TO BE A TRUE COPY <i>[Signature]</i> 1/2/93			EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: WANDA F. BISHOP, UNMARRIED
LCC: 32 MARROW STREET, NEWARK, NJ 07103 (19J) LOT: 19.10 BLOCK: 406

Fidelity Limit \$100,000.

KH0V032184

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

* S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): MARY RIBEIRO (u) of 20 GLENRIDGE AVENUE/APT J12
 Tel: Res: (201) 783-7071 MONTCLAIR
 Bus: (201) 621-6099 NJ ,07042.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 19.11
 BLDG NO.: 19 , UNIT NO: K , MODEL: TPTG1400-BB)

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	01-MAY-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	01-MAY-1993
	ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	31-MAY-1993
	BALANCE at CLOSING	\$	112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 30-JUN-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DV-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

<i>Mary Ribeiro</i>	5-1-93
(BUYER)	DATE

[Signature] 5.4.93
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promise in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1st day of May, 1993.

Buyer: *May Ribicco*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

May Ribicco 5-1-93
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 5-1-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032193

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnarian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Mary Rivino

_____, Buyer.

UNIT K, BLDG. 19

PURCHASE AGREEMENT DATED: 5/1/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 122,461.63

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>6511.63</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>1,000.00</u>	
Balance due at closing (cash of certified check)	\$ <u>121,461.63</u>	
Total Purchase Price	\$ <u>122,461.63</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 118,750.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/30/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032194

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.18.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Uly

DATE 5/9/93

"BUYER"

Mary Libens

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

John Weems

FORMS DS/PR/INCE
2/12/90

ar

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: K

The Purchase Agreement between Mary Ribeiro BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/1/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,561.63

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,706.85

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,854.78

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 119,850.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,526.63.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

6/5/93
DATE

Mary Ribeiro
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032203



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Ribeiro BLDG./UNIT NO: 19K MODEL NO: 1400

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 5/1, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

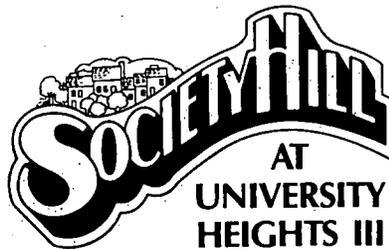
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Mary Ribeiro 5-1-93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032204

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBORAH Y. LATIMER, UNMARRIED

the GRANTEE

about to reside at 28 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$127,731.10
ONE HUNDRED TWENTY SEVEN THOUSAND SEVEN HUNDRED THIRTY ONE AND 10/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. L, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

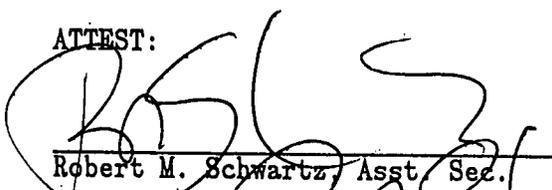
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

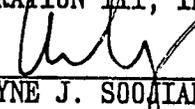
Being also known as Lot No. 19.12, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

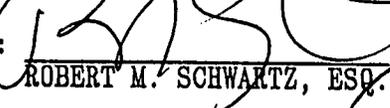
ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

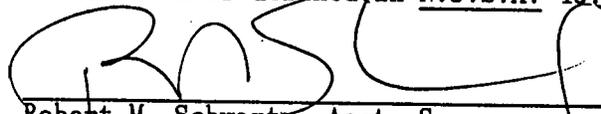
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV032211

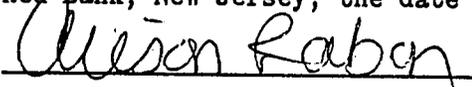
Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 127,731.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY SPECIFIC POWER OF ATTORNEY
My Commission Expires June 28, 1996

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE DEBORAH Y. LATIMER

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber DEBORAH Y. LATIMER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____

DEBORAH Y. LATIMER

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE

535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV032212

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
					COMBINED SINGLE LIMIT \$
<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM					AGGREGATE \$
					STATUTORY LIMITS
<input type="checkbox"/> WORKER'S COMPENSATION <input type="checkbox"/> AND <input type="checkbox"/> EMPLOYERS' LIABILITY					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
<input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Blkt Bldg. & Cnts <input checked="" type="checkbox"/> Fidelity		BC02900238	1/01/94	1/01/95	\$11,475,000.
					BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DEBORAH Y. LATIMER, UNMARRIED
LOC: 28 MARROW STREET, NEWARK, NJ 07103 (19L) LOT: 19.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032218

010036000

K Hovnanian[®]

Companies

MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LATIMER
Lot: 19.12 Block: 406
Address: 28 MARROW STREET
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$127,731.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

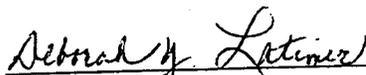
The bank who holds our mortgage is:

Our Mortgage Account No.:

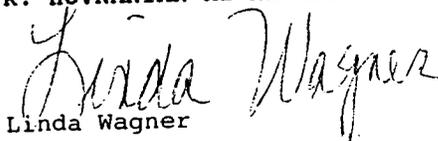
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


DEBORAH Y. LATIMER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032224



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LATIMER
Lot: 19.12 Block: 406
Address: 28 MARROW STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$127,731.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Deborah Y. Latimer
DEBORAH Y. LATIMER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032225

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DEBORAH Y LATIMER (u) of 609 SACKMAN STREET
 Tel: Res: (718) 485-0809 BROOKLYN
 Bus: (212) 890-2726 NY ,11212.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 19.12
 BLDG NO: 19 , UNIT NO: E , MODEL: TPTG1500-BB >

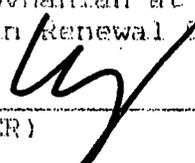
The PURCHASE PRICE : \$122,950.00
 Consisting of:
 BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	27-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	27-NOV-1993
	ADDITIONAL DEPOSIT	\$ 2,688.50	BY DATE	27-DEC-1993
	BALANCE at CLOSING	\$119,261.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$122,950.00		

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 26-JAN-1994
 Estimated COMPLETION DATE: 14-FEB-1993
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 12.2.93
 (SELLER) DATE

 11/27/93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032226



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 27th day of November, 1993.

Buyer: *Deborah J. Lerner*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Deborah J. Lerner 11/27/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12.2.93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032230

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: L

The Purchase Agreement between Deborah Y. Latimer BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11/27/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 128,891.10
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,866.73
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 125,024.37
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 118,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 127,731.10.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1/9/94
DATE _____

Deborah Y. Latimer
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032234

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Deborah Y. Satimer

_____, BUYER

UNIT L, BUILDING 19, PURCHASE AGREEMENT DATE 12/2/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

x Deborah Y Satimer 2/28/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: [Signature]
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV032235



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. *Fetimer* BLDG./UNIT NO: *192* MODEL NO: *1500*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/27, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

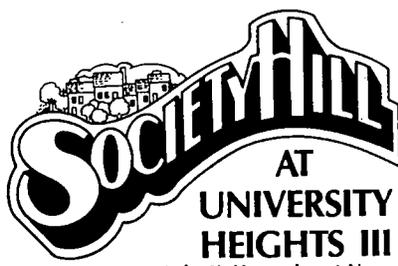
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Deborah J. Fetimer 11/27/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032239

THIS INDENTURE
(Site C and E)

Dated MAY 21, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBRA D. KING, UNMARRIED

the GRANTEE

about to reside at 41 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$132,700.00
ONE HUNDRED THIRTY TWO THOUSAND SEVEN HUNDRED AND 00/100----- Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

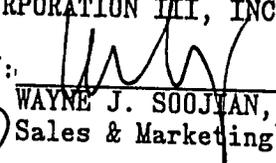
Being also known as Lot No. 20.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

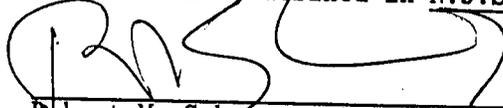
BY: 
WAYNE J. SOOJYAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV032249

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 21, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 132,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 21ST day of MAY, 1993.

GRANTEE DEBRA D. KING GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 21ST day of MAY, 1993, before me, the subscriber DEBRA D. KING, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
DEBRA D. KING

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, NJ 07960

KHOV032250



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY BINDER <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.		1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building BINDER & Contents		1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DEBRA D. KING, UNMARRIED

Fidelity Limit \$100,000.

LOC: 41 YANCY DRIVE, NEWARK, NJ 07103 (20A) LOT: 20.01 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KH0V032259

K Hovnanian[®] Companies

March 17, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: KING
Lot: 20.01 Block: 406
Address: 41 Yancy Drive
Newark, NJ 07103

Closing date: 5-21-93
Deed Amount: 132,700.⁰⁰

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

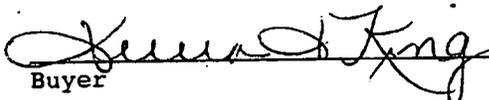
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

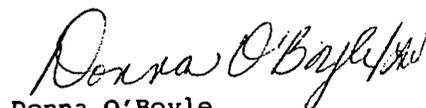
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032262

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DEBRA D. KING (u) of 361 FRANKLIN STREET #32
 Tel: Res: (201) 743-7743 BLOOMFIELD
 Bus: (908) 474-7773 NJ ,07003.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 20.01
 BLDG NO.: 20 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-MAR-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-MAR-1993
 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 15-APR-1993
 BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 15-MAY-1993
 Estimated COMPLETION DATE: FEB-1993
 30-MAY-1993 12-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 3-12-93

Debra D. King 3/16/93

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032263

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 16 day of March, 1993.

Buyer: *Demetrius King*

Joseph A. Zemaitis, Jr.

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Demetrius King 3/16/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 3-22-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV03267



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: KING BLDG./UNIT NO: 20A MODEL NO: 1500-BB

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/16/93, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 3/14/93

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032272

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WENDY L. AUSTIN, UNMARRIED AND JUDITH R. SMALL, UNMARRIED
the GRANTEE

about to reside at 43 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$115,950.00
ONE HUNDRED FIFTEEN THOUSAND NINE HUNDRED FIFTY AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

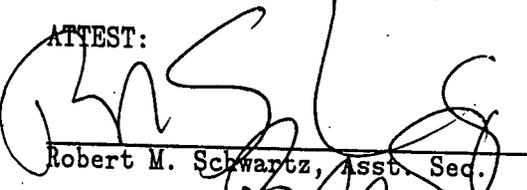
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

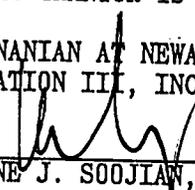
Being also known as Lot No. 20.02, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

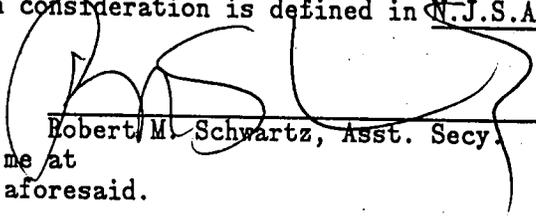
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV032283

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 115,950.00 .


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25 day of FEBRUARY 1993

GRANTEE WENDY L. AUSTIN

GRANTEE JUDITH R. SMALL

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 25 day of FEBRUARY, 1993, before me, the subscriber WENDY L. AUSTIN AND *JUDITH R. SMALL, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* JUDITH R. SMALL

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
WENDY L. AUSTIN AND JUDITH R. SMALL

CHARGE, RECORD AND RETURN TO TERRENCE HULL. ESQUIRE
853 KEARNY AVENUE, KEARNY, NJ 07032

KHOV032284



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt.
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY BINDER <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.		1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000
					PRODUCTS-COMP/OP AGG. \$ 100000
					PERSONAL & ADV. INJURY \$ 100000
					EACH OCCURRENCE \$ 100000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	Blanket Building & Contents BINDER		1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: WENDY L. AUSTIN, UNMARRIED AND JUDITH R. SMALL, UNMARRIED Fidelity Limit \$100,000.
LOC: 43 YANCY DRIVE, NEWARK, NJ 07103 (20B) LOT: 20.02 BLOCK: 406

KH0V032292

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Wendy L. Austin

010036000

S U M M A R Y O F B A S I C P R O V I S I O N S

IC16

The SELLER: K. HOVNANIAN URBAN-URR REDEVELOPMENT CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): WENDY L. AUSTIN (u) of 30 WILLIAM STREET
 Tel: Res: (201) 672-0668 EAST ORANGE
 Bus: (212) 522-4695 NJ , 07017.

JUDITH R. SMALL (u) of 30 WILLIAM STREET
 Tel: Res: (201) 672-0668 EAST ORANGE
 Bus: (212) 522-7973 NJ , 07017.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL UNIVERSITY HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 20.02
 BLDG NO.: 20 , UNIT NO: B , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :
 INITIAL DEPOSIT \$ 0.00 ON DATE 01-NOV-1992
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-NOV-1992
 ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 01-DEC-1992
 BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,400.00 MORTGAGE CONTINGENCY DATE: 31-DEC-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Wendy L. Austin 11/1/92
 (BUYER) DATE
Judith R. Small 11/1/92
 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

[Signature] 11-16-92
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain the money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

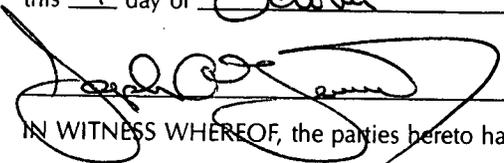
C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

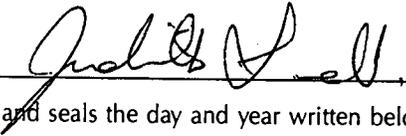
State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: 



Buyer: 

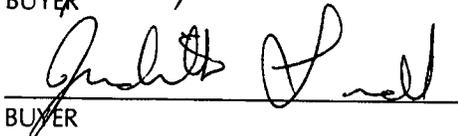
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

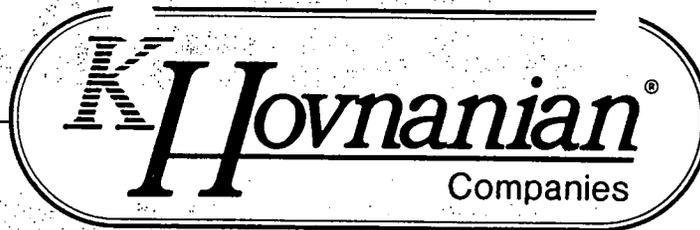
 11/1/92
BUYER DATE

 11/1/92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:  11/16/92
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032301



February , 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BRADY
Lot: 20.03 Block: 406
Address: 45 Yancy Drive
Newark, NJ 07103

Closing date: 2/25/93
Deed Amount: 138,649.16

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

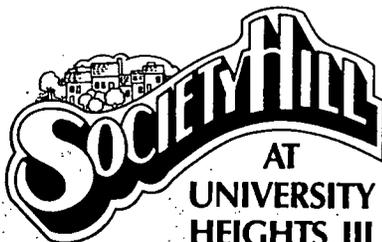
Very truly yours,

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032327

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): NATHANIEL, JR : BRADY ^H of 29 MOORE STREET
 Tel: Res: (212) 387-1196 BROOKLYN
 Bus: (212) 621-0664 NY ,11206.

LILIAN BRADY ^W of 29 MOORE STREET
 Tel: Res: (212) 387-1196 BROOKLYN
 Bus: () NY ,11206.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 20.03
 BLDG NO.: 20 , UNIT NO: C , MODEL: TPFGL800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,901.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 9.30.92

X <i>Nathaniel Brady</i>	9-27-92
(BUYER)	DATE
X <i>Lillian Brady</i>	9-27-92
(BUYER)	DATE
_____	DATE
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032329

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 27 day of September, 1992.

Buyer: X [Signature]

[Signature]

Buyer: X [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X [Signature] 9-27-92
BUYER DATE

X [Signature] 9-27-92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 9-30-92
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV032333

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

Revised APA
JZ

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

NATHANIEL BRADY
LILLIAN BRADY
_____, Buyer.

UNIT C, BLDG. 20

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,524.16

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 4,574.16

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3,048.50 due on 10/19/92

Additional deposit \$ 500.00 due on 12/20/92

Total deposit \$ 4,548.50

Balance due at closing
(cash of certified check) \$ 134,975.66

Total Purchase Price \$ 139,524.16

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000

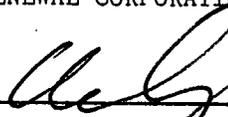
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032335

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

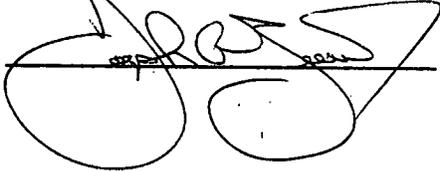
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



Wayne Soojian

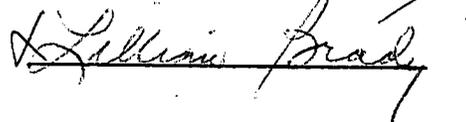
DATE 1-15-93

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"





FORMS DS/PR/INCE
02/12/90

KHOV032336



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BRADY UNIT NO.: 20C MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Sept 27, 1992, 1992 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Handwritten signatures and dates for buyers: Nathanial Brady Jr. (9-27-92) and Lillian Brady (9-27-92). Includes empty lines for additional buyers.



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032345

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OMILEE JONES, UNMARRIED AND MURIEL SIMPSON, UNMARRIED

the GRANTEE

about to reside at 34 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$137,855.10 ONE HUNDRED THIRTY SEVEN THOUSAND EIGHT HUNDRED FIFTY FIVE AND 10/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

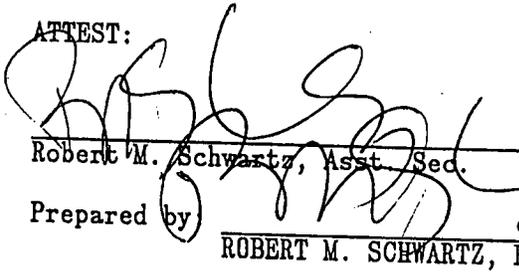
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.04, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

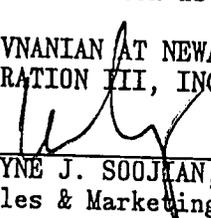
ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by

ROBERT M. SCHWARTZ, ESQ.

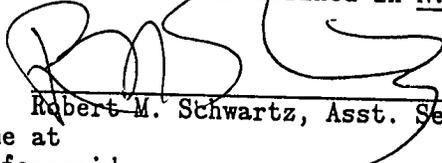
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJAN,
Sales & Marketing Director

KHOV032354

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 137,855.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAIKO, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 19 93.

GRANTEE _____
OMILEE JONES

GRANTEE _____
MURIEL SIMPSON

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93, before me, the subscriber OMILEE JONES AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

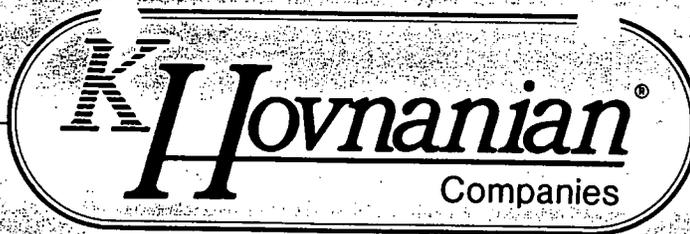
* MURIEL SIMPSON

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
OMILEE JONES AND MURIEL SIMPSON

CHARGE, RECORD AND RETURN TO _____
WILLIAM THOMAS, ESQUIRE
1139 E. JERSEY STREET, ELIZABETH, NJ 07201

KHOV032355



February 26, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: JONES/SIMPSON
Lot: 20.04 Block: 406
Address: 34 Cornerstone Lane
Newark, NJ 07103

Closing date: 2/26/93
Deed Amount: 137,855.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Omila Jones
Buyer

Quell Simpson
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032367

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): OSILEE JONES (A) of 137 COURT STREET
 NEWARK
 NJ ,07103.
 Tel: Res: (201) 622-6896
 Bus: () -

MARIEL SIMPSON (A) of 137 COURT STREET
 NEWARK
 NJ ,07103.
 Tel: Res: (201) 622-6896
 Bus: (201) 466-6339

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EXC
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 20.04
 BLDG NO.: 20 , UNIT NO: D , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

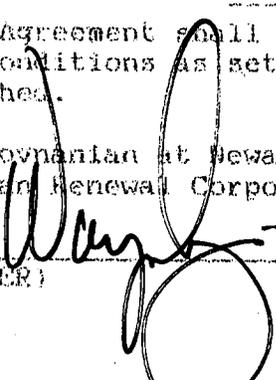
The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 28-NOV-1992
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 28-NOV-1992
 ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 28-DEC-1992
 BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$134,950.00

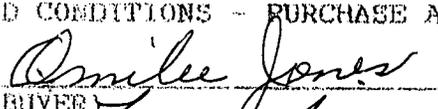
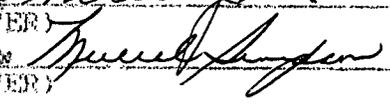
MORTGAGE AMOUNT : \$107,950.00 MORTGAGE CONTINGENCY DATE: 27-JAN-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.


 (SELLER) 12.4.92
 DATE

 11/28/92
 (BUYER) DATE

 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarana, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032368



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 38th day of November, 1992.

Buyer: *Omilee Jones*

Lisa M. Weems

Buyer: *Spicel Anderson*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Omilee Jones 11/28/92
BUYER DATE

Spicel Anderson 11/28/92
BUYER DATE

BY: *Wayne Socian* 12.1.92
WAYNE SOCIAN DIRECTOR OF MARKETING AND SALES DATE

KHOV032372

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Omilee Jones

Muriel Simpson

_____, Buyer.

UNIT D, BLDG. 20

PURCHASE AGREEMENT DATED: 11/28/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,410.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 4460.10

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 138,410.10

Total Purchase Price \$ 139,410.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/27/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032373

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE Jan. 2, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x *Amilee Jones*

Jim Weems

x *Michael [Signature]*

FORMS DS/PR/INCE
2/12/90

KHOV032374



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

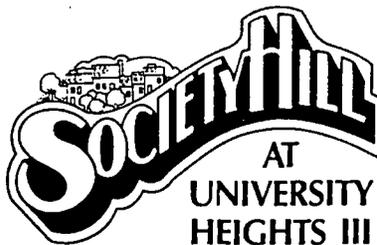
TO: *Ms. Jones* UNIT NO.: 505 MODEL NO.: 1860
Ms. Simpson

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/28, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<i>x</i> <u><i>Orville Jones</i></u>	<u>11/28/92</u>
BUYER	DATE
<i>x</i> <u><i>Muriel Simpson</i></u>	<u>11/28/92</u>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032382

AK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Orville Jones

Manuel Simpson

Buyer.

UNIT D, BLDG. 20

PURCHASE AGREEMENT DATED: 11/28/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,410.10

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>440.10</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>1,000.00</u>	
Balance due at closing (cash of certified check)	\$ <u>138,410.10</u>	
Total Purchase Price	\$ <u>139,410.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/27/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032384

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.97

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE Jan. 2, 1997

"BUYER"

x Orville Jones

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x Lucretia [Signature]

[Signature]

FORMS DS/PR/INCE
2/12/90

KHOV032385

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DUANE H. LINK, UNMARRIED

the GRANTEE

about to reside at 32 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,350.27
ONE HUNDRED TWENTY ONE THOUSAND THREE HUNDRED FIFTY AND 27/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

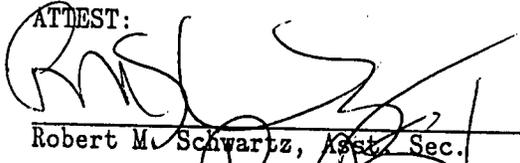
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

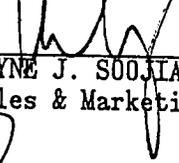

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

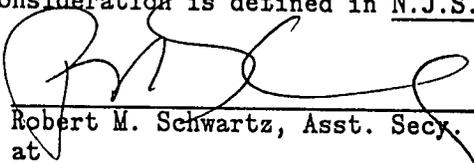
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV032397

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 121,350.27.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 1993.

GRANTEE DUANE H. LINK GRANTEE

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93 before me, the subscriber DUANE H. LINK, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to DUANE H. LINK

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, NJ 07960
07960

KHOV032398



January 16, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LINK
Lot: 20.05 Block: 406
Address: 32 Cornerstone Lane
Newark, NJ 07103

Closing date: 2-26-93
Deed Amount: 121,350.27

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

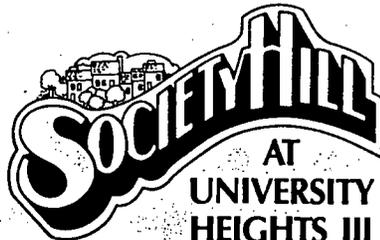
Very truly yours,

Quane Link
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032410



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13. and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

- 15. ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
- 16. NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
- 17. DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
- 18. WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
- 19. ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

State of New Jersey) ss. **NOTARY PUBLIC OF NEW JERSEY**
County of Essex) My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 16 day of January, 1993.

Buyer: *Duane Link*

[Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Duane Link 1-16-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 1-15-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032415

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

DUADE H. LUK

_____, Buyer.

UNIT E, BLDG. 20

PURCHASE AGREEMENT DATED: 1/16/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 123,385.27

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ <u>7,435.27</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ <u>223.06</u>	due on <u>1/20/93</u>
Total deposit	\$ <u>1,223.06</u>	
Balance due at closing (cash of certified check)	\$ <u>122,162.21</u>	
Total Purchase Price	\$ <u>123,385.27</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 119,600.00

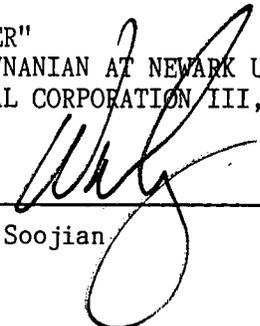
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032417

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.25.93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

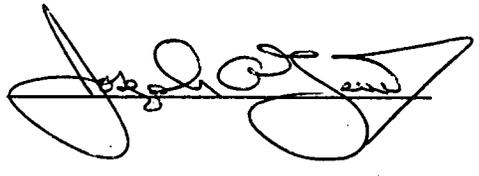


Wayne Soojian

DATE 1/20/93

"BUYER"


WITNESS AS TO SIGNATURE
OF ALL BUYERS



FORMS DS/PR/INCE
02/12/90

KHOV032418

THIS INDENTURE
(Site C and E)

Dated NOVEMBER 30, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EDDIE N. DE JESUS, MARRIED

the GRANTEE

about to reside at 30 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$125,329.20
ONE HUNDRED TWENTY FIVE THOUSAND THREE HUNDRED TWENTY NINE AND .20/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

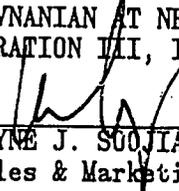
Being also known as Lot No. 20.06, in Block No. 406, on the tax map of the City of Newark.

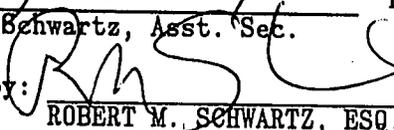
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

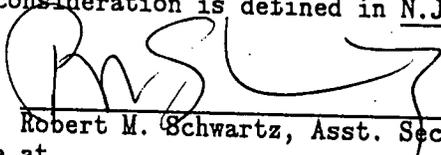
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

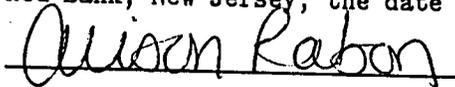
KHOV032434

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On NOVEMBER 30, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 125,329.20.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of NOVEMBER, 1993.

GRANTEE EDDIE N. DE JESUS GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of NOVEMBER, 1993, before me, the subscriber EDDIE N. DE JESUS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
EDDIE N. DE JESUS

CHARGE, RECORD AND RETURN TO MICHAEL D. SUAREZ, ESQUIRE
2016 KENNEDY BLVD.
JERSEY CITY, NJ 07305

KHOV032435

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EDDIE N. DE JESUS, MARRIED

Fidelity Limit: \$100,000.

LOC: 30 CORNERSTONE LANE, NEWARK, NJ 07103 (20F) LOT: 20.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032442

010036000

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DE JESUS
Lot: 20.06 Block: 406
Address: 30 Cornerstone Lane
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: *November 30, 1993*
Deed Amount: *\$125,329.20*

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Eddie M. De Jesus

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032447

K Hovnanian[®] Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DE JESUS
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The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Loddi M. De Jesus

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032448

OR

SUMMARY OF BASIC PROVISIONS

TC10

The SELLER: K. HOVNANIAN NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): EDDIE N DE JESUS (m) of 122 34TH STREET/APT 3
 Tel: Res: (201) 617-1479 UNION CITY
 Bus: (718) 828-3951 NJ , 07087.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 20.06
 BLDG NO.: 20 , UNIT NO: F , MODEL: TPTC1500-BB >

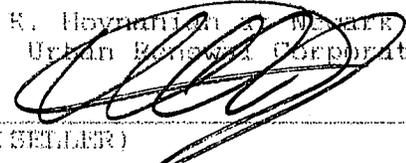
The PURCHASE PRICE : \$122,950.00
 Consisting of:
 BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	25-AUG-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	25-AUG-1993
	ADDITIONAL DEPOSIT	\$ 2,608.50	BY DATE	22-SEP-1993
	BALANCE at CLOSING	\$119,261.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$122,950.00		

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 24-OCT-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. HOVNANIAN NEWARK
 Urban Renewal Corporation LLC, Inc.

 (SELLER) 11/1/93 DATE

x Eddie N. De Jesus 10-28-93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35; P.O.Box 500
 Red Bank, NJ 07701

KHOV032449



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase-price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25th day of October, 1993.

Buyer: *Eddie N. Mc Jesus*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Eddie N. Mc Jesus 10-28-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800.

BUYER DATE

BY *[Signature]* 11/1/93
WAYNE SOULAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032453

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 20

Unit No.: F

The Purchase Agreement between Eddie N. DeJesus BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/25/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 126,884.20
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,788.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 123,095.67
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 116,850.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 125,329.20.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

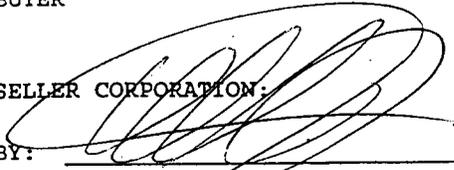
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-28-93
DATE

Eddie N. De Jesus
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: 
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032455



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs. De Jesus BLDG./UNIT NO: 20F MODEL NO: 1500

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/25, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER Eddie P. De Jesus DATE 8-25-93

BUYER Maria S. De Jesus DATE 8-25-93

BUYER DATE

BUYER DATE



KHOV032459

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: A

The Purchase Agreement between Roanna M. Scott BUYER(S)

BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/29/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 134,968.44

2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 4049.05

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 130,919.39

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 130,900.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 133,413.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/29/93
DATE

Roanna Scott
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV032470

SUMMARY OF BASIC PROVISIONS
 =====

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
 Tel: Res: (201) 309-2399 JERSEY CITY.
 Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.01
 BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	29-MAY-1993
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	29-MAY-1993
ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	28-JUN-1993
BALANCE at CLOSING	\$122,171.50	PAID by CERTIFIED CHECK		

Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

=====

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 6/1/93

x Roxanna Scott 5/29/93

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

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TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

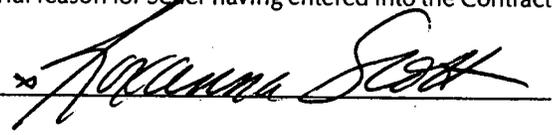
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

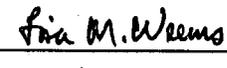
State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 31st day of May, 1993.

Buyer: 



Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

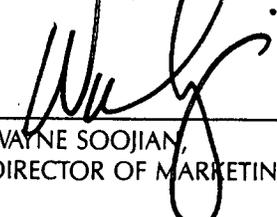
NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.


BUYER _____ DATE _____

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY:  6-11-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE _____

KHOV032489

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP ILocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
 Tel: Res: (201) 309-2399 JERSEY CITY
 Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.01
 BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

51 YANCY DR.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 29-MAY-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 29-MAY-1993
 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 28-JUN-1993
 BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

=====

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

x Roxanna Scott 5/29/93

 (BUYER) DATE

[Signature] *6.1.93*

 (SELLER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032501

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 17.01
BLDG NO.: 17 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 08-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 08-JUL-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

Switched
to 21A
5-29-93
al

KHOV032505



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 10th day of May, 1993.

Buyer: *Aranna M. Scott*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Aranna M. Scott 5/10/93
BUYER DATE

BUYER DATE

BY: *Wayne Soojan* 5-14-93
WAYNE SOOJAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032509

S U M M A R Y O F B A S I C P R O V I S I O N S

1C10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP. Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
 Tel: Res: (201) 309-2399 JERSEY CITY
 Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 17.01
 BLDG NO.: 17 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

27 Marrow St.

The PAYMENT TERMS :
 INITIAL DEPOSIT \$ 0.00 ON DATE 09-MAY-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-MAY-1993
 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 08-JUN-1993
 BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 08-JUL-1993
 Estimated COMPLETION DATE: 15-DEC-1993
 BY-MON- YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Roxanna M. Scott 5/10/93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032512

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

AK

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Judy N. Penalosa
Jose E. Fugardo
_____, Buyer.

UNIT B, BLDG. 21

PURCHASE AGREEMENT DATED: 9/30/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 121,569.67

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>5619.67</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ <u>168.59</u>	due on <u>1/10/93</u>
Total deposit	\$ <u>1168.59</u>	
Balance due at closing (cash of certified check)	\$ <u>120,401.08</u>	
Total Purchase Price	\$ <u>121,569.67</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 117,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032517

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE Jan. 10, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x Lucy N. Penalza

[Signature]

x [Signature]

FORMS DS/PR/INCE
2/12/90

KHOV032518



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Lucy Penaloza* UNIT NO.: *213* MODEL NO.: *1400*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 9/30, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Lucy N. Penaloza 9-30-92
BUYER DATE

Jane Sugarlo 9-30-92
BUYER DATE

BUYER DATE

BUYER DATE



KHOV032529

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (located at:

Box 500
07701.

The BUYER(S): LUCY N PENALOZA (U)
Tel: Res: (201) 623
Bus: (212) 662

New #
596-0214

7101.

JOSE E LUGARDO (U)
Tel: Res: (201) 623
Bus: (215) 867

7101.

WILL occupy the Premises as

ing of title.

The PROPERTY: PROJECT: SOCIETY HILL @

BLOCK NO: 206
BLDG NO.: 21 , UNIT NO

The PURCHASE PRICE : \$115,950.00

Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-SEP-1992
	ADDITIONAL DEPOSIT	\$ 2,478.50	BY DATE	30-OCT-1992
	BALANCE at CLOSING	\$112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00

MORTGAGE CONTINGENCY DATE: 29-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) *[Signature]* 10.2.92
DATE

Lucy N. Penalza 9-30-92
(BUYER) DATE

Jose Lugo 9-30-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032533



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer will be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of September, 1992.

Buyer: Lucy N. Penalza

Lisa M. Weems

Buyer: Jane Lugardo

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER Lucy N. Penalza 9-30-92 DATE

BUYER Jane Lugardo 9-30-92 DATE

BY: Wayne Soojan 10-2-92 DATE
WAYNE SOOJAN,
DIRECTOR OF MARKETING AND SALES

KHOV032537

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LUCY N PENALOZA (u) of PO BOX 20154
 Tel: Res: (201) 623-6943 NEWARK
 Bus: (212) 662-1901 NJ ,07101.

JOSE E LUGARDO (u) of PO BOX 20154
 Tel: Res: (201) 623-6943 NEWARK
 Bus: (215) 867-7600 NJ ,07101.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 21.02
 BLDG NO.: 21 , UNIT NO: B , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	30-SEP-1992
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	30-SEP-1992
ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	30-OCT-1992
BALANCE at CLOSING	\$	112,471.50	PAID by	CERTIFIED CHECK
Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Lucy N. Penaloza 9-30-
 (BUYER) DATE
Jose E. Lugardo 9-30-
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE

(SELLER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KH0V032563

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Frank Clemons

Ossie Clemons

Buyer.

UNIT C, BLDG. 21

PURCHASE AGREEMENT DATED: 1/10/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,700.79

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 5750.79

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3048.50 due on 1/30/93

Additional deposit \$ 172.52 due on 1/30/93

Total deposit \$ 4221.02

Balance due at closing \$ 136,479.77
(cash of certified check)

Total Purchase Price \$ 140,700.79

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032569

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 2-3-93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE JAN 30. 93

"BUYER"

x *Linda Clemens*

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Lisa Weems

x *Ossie Clemens*

FORMS DS/PR/INCE
2/12/90

KHOV032570



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs. Clemens UNIT NO.: 21C MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/16, 1992 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: [Signature: Link Clemens] DATE: 1-16-93

BUYER: [Signature: Pessie Clemens] DATE: 1-16-93

BUYER: _____ DATE: _____

BUYER: _____ DATE: _____



by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032577

SUMMARY OF BASIC PROVISIONS

IC10 *OK*

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LINK CLEMONS (H) of 183 HOLLYWOOD AVENUE/2ND FLOOR
 Tel: Res: (201) 676-6550 EAST ORANGE
 Bus: (201) 325-4768 NJ ,07018.

OSSIE CLEMONS (W) of 183 HOLLYWOOD AVENUE/2ND FLOOR
 Tel: Res: (201) 676-6550 EAST ORANGE
 Bus: (908) 298-3008 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.03
 BLDG NO.: 21 , UNIT NO: C , MODEL: TPG1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	16-JAN-1993
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	16-JAN-1993
ADDITIONAL DEPOSIT	\$	3,048.50	BY DATE	15-FEB-1993
BALANCE at CLOSING	\$	130,901.50	PAID by	CERTIFIED CHECK

Total PAYMENT		\$134,950.00		

MORTGAGE AMOUNT : \$128,200.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hoynanian at Newark - Urban Renewal Corporation III, Inc.	<i>[Signature]</i>	<i>[Signature]</i>	<i>1-16-93</i>
(SELLER)	DATE	(BUYER)	DATE
	<i>1-15-93</i>	(BUYER)	DATE
		(BUYER)	DATE
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS-- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032582



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

- 15. ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
- 16. NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
- 17. DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
- 18. WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
- 19. ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 16th day of January, 1993.

Buyer: *Link Clemens*

Lisa M. Weems

Buyer: *Ossie Clemens*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Link Clemens 1-16-93
BUYER DATE

Ossie Clemens 1-16-93
BUYER DATE

BY: *Wayne Soojian* 1-19-93
DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

KHOV032586

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK) - URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): LINK CLEMONS (H) of 183 HOLLYWOOD AVENUE/2ND FLOOR EAST ORANGE NJ ,07018. Tel: Res: (201) 676-6550 Bus: (201) 325-4768

OSSIE CLEMONS (W) of 183 HOLLYWOOD AVENUE/2ND FLOOR EAST ORANGE NJ ,07018. Tel: Res: (201) 676-6550 Bus: (908) 298-3008

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 21.03 BLDG NO: 21, UNIT NO: C, MODEL: TPGF1800-BB > 55 YANCY DR.

The PURCHASE PRICE : \$134,950.00 Consisting of: BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-JAN-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-JAN-1993 ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 15-FEB-1993 BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$128,200.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993 Estimated COMPLETION DATE: 14-FEB-1993 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Signature: Link Clemons DATE: 1-16-93 (BUYER) Signature: Ossie Clemons DATE: 1-16-93 (BUYER)

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

1. COPIES OF... specified by Seller in... BASIC PROVISIONS without Buyer... Municipality, which may be a temporary... attorney Buyer may have his own attorney... other instruments have not been... this Agreement is for the sale of a... totally outside of the control of the Seller... close to the date and the time specified... in paragraph 12 below or have Buyer... costs for postponing the closing or... total purchase price plus optional up... by certified or bank cashiers check... 2. TITLE - Seller agrees to deliver a... resolution at closing of title. Title shall... company licensed to do business in the... West, Building B, Lakewood, New Jersey... premises shall constitute good and... Inc., which is an affiliate of the Seller

Out

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: D

The Purchase Agreement between ARNOLD J. LACRUISE BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/20/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 138,992.98
- 2. THE DEPOSITS ^{paid @} ~~REQUIRED~~ ARE INCREASED TO \$ 1,130.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 137,812.98
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 137,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 138,992.98.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

June 1 1993
DATE

Arnold La Cruise
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032607

**AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)**

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

ARNOLD J. LACROISE

_____, Buyer.

UNIT D, BLDG. 21

PURCHASE AGREEMENT DATED: 1/25/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms of the Summary of Basic Provisions for this applicable of the Summary of Basic Agreement shall be as follows: of Basic Provisions and conditions - Purchase

A) THE PURCHASE PRICE

Consisting of:
BASE PRICE of MODI and Premiums:
DS Number

_____ \$ _____

Do New APA w/ \$130 amt.

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>V/A</u>	due on _____
Additional deposit	\$ <u>119.79</u>	due on <u>2/20/93</u>
Total deposit	\$ <u>1,119.79</u>	
Balance due at closing (cash of certified check)	\$ <u>137,823.19</u>	
Total Purchase Price	\$ <u>138,942.98</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

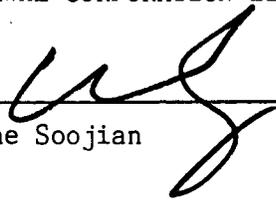
\$ 137,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/26/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 4.23.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

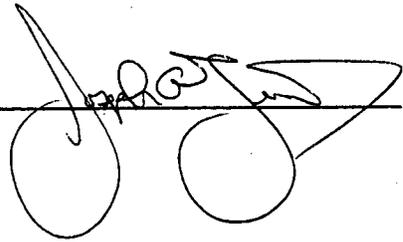


Wayne Soojian

DATE 4/20/93

"BUYER"


WITNESS AS TO SIGNATURE
OF ALL BUYERS



FORMS DS/PR/INCE
02/12/90

KHOV032617



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: LACRUISE UNIT NO.: 210 MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/25/93, 1992 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Arnold LaCruise 1/25/93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



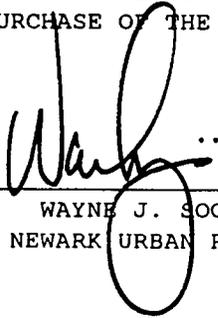
AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032621

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

ARNOLD J. LACRUISE

KHOV032623

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACRUISE (u) ^{676-107b} of P.O. BOX 1069
Tel: Res: (201) 675-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ , 07019.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.04
BLDG NO: 21 , UNIT NO: D , MODEL: TFFG1800-BB)

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 25-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 25-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 24-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 26-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Arnold J. Lacruise 1/25/93
(BUYER) DATE

(BUYER) DATE

[Signature] 1/25/93
(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032646



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights-III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

purchase price by the Seller as prov. for in this agreement.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—
A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25 day of January, 1993.

Buyer: *Smolod A. Rumi*

Joseph A. Zemaitis, Jr.

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Smolod A. Rumi / 1/25/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *Wayne Soojian* 1-28-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032650

ADDENDUM TO PURCHASE AGREEMENT DATED
JANUARY 28, 1993 BETWEEN ARNOLD
LaCRUISE AND K. HOVNANIAN AT NEWARK-
URBAN RENEWAL CORP., III, INC.

It is hereby agreed and stipulated between the parties, Arnold La Cruise (hereinafter called the ("Buyer")) and K. Hovnanian at Newark-Urban Renewal Corporation, III, Inc., (hereinafter called the ("Seller")) that the purchase agreement is amended to change the Mortgage Contingency date to August 30, 1993.

BEVERLY G. GISCOMBE, P.A.
Attorney for Buyer

DATED: 6/30/93

BY: Brenda Gbadebo
BRENDA GBADEBO, ESQUIRE

ROBERT M. SCHWARTZ, ESQUIRE
Attorney for Seller

DATED:

KHOV032655

ADDENDUM TO PURCHASE AGREEMENT DATED
JANUARY 28, 1993 BETWEEN ARNOLD
LaCRUISE AND K. HOVNANIAN AT NEWARK-
URBAN RENEWAL CORP., III, INC.

It is hereby agreed and stipulated between the parties, Arnold La Cruise (hereinafter called the ("Buyer") and K. Hovnanian at Newark-Urban Renewal Corporation, III, Inc., (hereinafter called the ("Seller") that the purchase agreement is amended to change the Mortgage Contingency date to August 30, 1993.

BEVERLY G. GISCOMBE, P.A.
Attorney for Buyer

DATED: 6/30/93

BY: Brenda Gbadebo
BRENDA GBADEBO, ESQUIRE

ROBERT M. SCHWARTZ, ESQUIRE
Attorney for Seller

DATED:

KHOV032656

SUMMARY OF BASIC PROVISIONS

AK

IC16

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACROISE (4) of P.O. BOX 1069
Tel: Res: (201) 577-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ , 07019.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.04
BLDG NO.: 21 , UNIT NO: D , MODEL: TFC1800-IB

The PURCHASE PRICE : \$134,950.00
OWNERSHIP: AR RENTS Consisting of:
BASE PRICE OF MODEL: \$134,950.00

57 Yancy Dr.

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 25-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 25-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 24-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 26-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - (BUYER)
Urban Renewal Corporation III, Inc. (BUYER)
(SELLER) (BUYER)
(SELLER) (BUYER)
(SELLER) (BUYER)

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032672

**AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)**

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Patrick X Beauford

_____, Buyer.

UNIT E, BLDG. 24

PURCHASE AGREEMENT DATED: 9/26/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 119,885.34

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>3,935.34</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,478.50</u>	due on <u>1/2/93</u>
Additional deposit	\$ <u>118.06</u>	due on <u>1/2/93</u>
Total deposit	\$ <u>3,596.56</u>	
Balance due at closing (cash of certified check)	\$ <u>116,288.78</u>	
Total Purchase Price	\$ <u>119,885.34</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 116,250.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten Signature]

DATE 1/2/93

"BUYER"

x Patrick X Beauford

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Jim Weems

FORMS DS/PR/INCE
2/12/90



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. P. Beauford UNIT NO.: 21E MODEL NO.: 1440

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 9/26, 1992 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Mr. Patrick Beauford 9-26-92 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032683

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVHANIAN NEWARK URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): PATRICK X BEAUFORD (IA) of 451 COLUMBIA STREET
 Tel: Res: (718) 596-1322 BROOKLYN
 Bus: () NY 11231.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 LOT NO: 21.05
 BLDG NO.: 21 UNIT NO: E MODEL: TPTG1400-BH

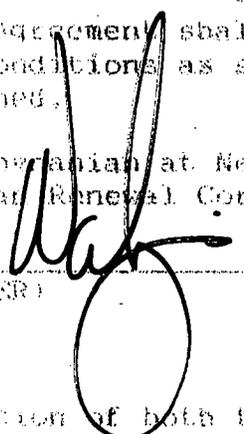
The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	26-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	26-SEP-1992
	ADDITIONAL DEPOSIT	\$ 2,478.59	BY DATE	26-OCT-1992
	BALANCE at CLOSING	\$112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

	K. Hovhanian at Newark Urban Renewal Corporation III, Inc.	(SELLER)	DATE	<u>9-30-92</u>
	Patrick Beauford	(BUYER)	DATE	9-26-92
_____		(BUYER)	DATE	
_____		(BUYER)	DATE	

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The OWNER: Landarame, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV032687



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 26th day of September, 1992.

Buyer: Patrick Beauford

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patrick Beauford 9-26-92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: _____ DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

KHOV032691

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): PATRICK X BEAUFORD (U) of 451 COLUMBIA STREET BROOKLYN NY 11231. Tel: Res: (718) 596-1322 Bus: ()

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III NEWARK, NEW JERSEY. BLOCK NO: 206, LOT NO: 21.05 BLDG NO: 21, UNIT NO: E, MODEL: TPTG1400-BB

The PURCHASE PRICE : \$115,950.00 Consisting of: 7. BUYER'S 8. CHANGING 9. FIRE AND LIFE

The PAYMENT TERMS: 10. INITIAL DEPOSIT \$ 0.00 ON DATE 26-SEP-1992 11. ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-SEP-1992 12. ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 26-OCT-1992 13. BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK 14. Total PAYMENT \$115,950.00

MORTGAGE AMOUNT \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992 Estimated COMPLETION DATE: 14-FEB-1993

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Attorney

Patrick Beauford 9-26-92 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

(SELLER) PERIOD YOU MAY SECTION ON ATT AGREEMENT AN IN THE PUBLIC

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

1. ADJUSTMENT-Taxes for the interest if any, are to be apportioned. 2. CLOSING OF TITLE-Closing of title... 3. TITLE-Seller agrees to deliver a Buyer's resolution at closing of title...

KHOV032722

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

LEROY MACK
ROSEMARIE MACK
_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 130,991.72

Consisting of:

BASE PRICE of MODEL: \$ 125,950.00
and Premiums:

DS Number \$ 4,991.72

_____ \$ _____

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1000.00

Deposit balance due \$ 2,778.50 due on 10/19/92

Additional deposit \$ 148.83 due on 12/30/92

Total deposit \$ 3,927.33

Balance due at closing
(cash of certified check) \$ 127,014.39

Total Purchase Price \$ 130,991.72

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 115,950

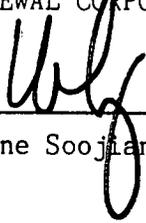
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032727

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

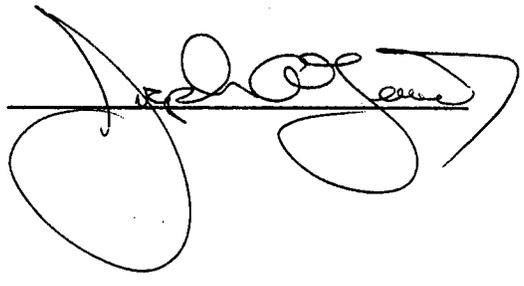
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



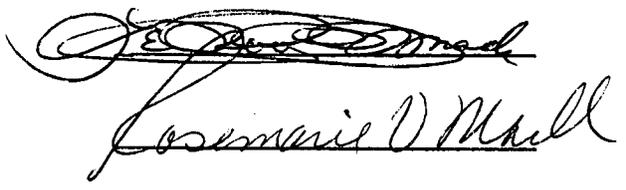
Wayne Soojian

DATE 12-30-92

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"



FORMS DS/PR/INCE
02/12/90



Wants to pay for D/S up front
appears thick 3/8" plywood floor underneath

URBAN RENEWAL CORPORATION III, INC.

T NO.: 21F MODEL NO.: 1500

PERSONALLY DELIVERED
STATEMENT/PURCHASE AGREEMENT

on Oct 1, 1992

I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

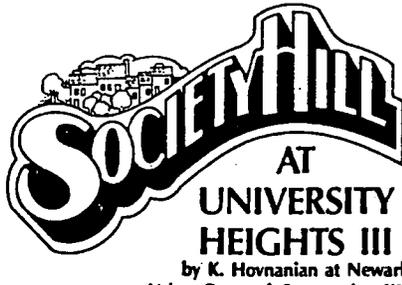
*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

[Signature] BUYER 10-1-92 DATE

[Signature] BUYER 10-1-92 DATE

BUYER DATE

BUYER DATE



KHOV032737

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP I Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK (H) of P.O. BOX 733 IRVINGTON NJ ,07111. Tel: Res: (201) 416-9240 Bus: (201) 923-8655

ROSEMARIE V MACK (W) of P.O. BOX 733 IRVINGTON NJ ,07111. Tel: Res: (201) 416-9240 Bus: () -

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III NEWARK, NEW JERSEY. BLOCK NO: 206 , LOT NO: 21.06 BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00 Consisting of: BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992 BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992 Estimated COMPLETION DATE: 14-FEB-1993 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

(SELLER)

10-13-92 DATE

(BUYER)

(BUYER)

(BUYER)

(BUYER)

DATE

DATE

DATE

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV032741



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by Seller to Buyer at closing of title. The purchase price by the Seller as provided for in this Agreement, together with a closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promise in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—
A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.
B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.
C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

[Signature]

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 10-1-92
BUYER DATE

[Signature] 10/1/92
BUYER DATE

BY: [Signature] 10.13.92
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032745

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK (4) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK (w) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

of the WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.

BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB

61 YANCY DR.

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

10.13.92
DATE

(BUYER)

10-1-92
DATE

(BUYER)

Rosemarie V Mack
DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

YOU HAVE THE RIGHT TO
OF CASH
WHICH
REFUND

KHOV032779

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

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ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
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Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Donna O'Boyle 9-19-92
(SELLER) DATE

[Signature] 9-19-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032780

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP I Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

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Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Donna O'Boyle 9-19-92
(SELLER) DATE

(BUYER) 9-19-92 DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032781

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M. MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.
ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB)

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

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Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) [Signature] 9-19-92 DATE

(BUYER) [Signature] 9-19-92 DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032782

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
 Tel: Res: (201) 416-9240 IRVINGTON
 Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
 Tel: Res: (201) 416-9240 IRVINGTON
 Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 21.06
 BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS	INITIAL DEPOSIT	\$ 0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$ 2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by	CERTIFIED CHECK
Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.	<u>[Signature]</u>	9-19-92
	(BUYER)	DATE
<u>[Signature]</u>		
(SELLER)		DATE
	(BUYER)	DATE
	(BUYER)	DATE
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032783

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 LOT NO: 21.06
BLDG NO.: 21 UNIT NO: F MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

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Estimated COMPLETION DATE: 14-FEB-1993
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032784

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALAN CROOK

CHERO HALL

, Buyer.

UNIT 21, BLDG. G

PURCHASE AGREEMENT DATED: 10/1/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$132,816.88

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>125,950.00</u>
DS Number	\$ <u>6,866.88</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,778.50</u>	due on <u>10/31/92</u>
Additional deposit	\$ <u>206.01</u>	due on <u>12/16/92</u>
Total deposit	\$ <u>3,984.51</u>	
Balance due at closing (cash of certified check)	\$ <u>128,832.37</u>	
Total Purchase Price	\$ <u>132,816.88</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 128,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/30/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032791

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 12-21-92

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE ~~X~~ 12/16/92

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

X *Alan H. Cook*

X *[Signature]*

FORMS DS/PR/INCE
2/12/90

KHOV032792



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *CROOK/HILL* UNIT NO.: *216* MODEL NO.: *1500*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *10/1/92*, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<input checked="" type="checkbox"/>	<i>Allen H. Crook</i>	<u>10/1/92</u>
BUYER		DATE
<input checked="" type="checkbox"/>	<i>CA</i>	<u>10/1/92</u>
BUYER		DATE
_____		_____
BUYER		DATE
_____		_____
BUYER		DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032795

S U M M A R Y O F B A S I C P R O V I S I O N S

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
Tel: Res: (201) 672-6164 EAST ORANGE
Bus: (201) 466-4913 NJ 07018

CHERO HALL (u) of PO BOX 812
Tel: Res: (201) 802-1728 EAST ORANGE
Bus: (201) 392-5646 NJ 07018

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.

BLOCK NO: 206 LOT NO: 21.07
BLDG NO.: 21 , UNIT NO: G , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 31-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) _____ DATE 10.15.92

(BUYER) Alan H Crook 10/1/92
(BUYER) CH 10/1/92
(BUYER) _____ DATE
(BUYER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032799



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with a closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer will be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

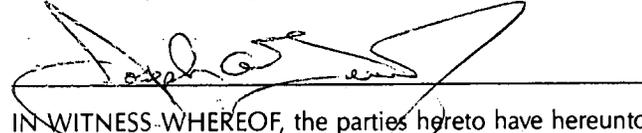
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

State of New Jersey) ss. **NOTARY PUBLIC OF NEW JERSEY**
County of Essex) **My Commission Expires Dec. 8, 1996**

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.



Buyer: 

Buyer: 

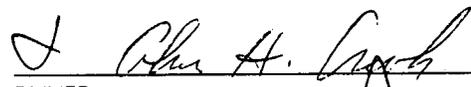
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

 BUYER 10/11/92 DATE

 BUYER 10/11/92 DATE

BY:  WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES 10.13.92 DATE

KHOV032803

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK NEW JERSEY, 07701.
 The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
 3 1/2 R-30 is 20' Tel: Res: (201) 672-6164 EAST ORANGE
 25. AFFORDABLE HOUSING Bus: (201) 466-4913 NJ, 07018.
 an affordable unit which will include unit assessment which has been assessed at the affordable level.
 CHERO HALL (u) of PO BOX 812
 Tel: Res: (201) 802-1728 EAST ORANGE
 Bus: (201) 392-5646 NJ, 07018.
 (or in) WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
 price at time of contract: NEWARK, NEW JERSEY.
 BLOCK NO: 206, LOT NO: 21.07
 BLDG NO: 21, UNIT NO: G, MODEL: TPTG1500-BB >

The PURCHASE PRICE: \$125,950.00
 Consisting of:
 BASE PRICE OF MODEL \$125,950.00

The PAYMENT TERMS:
 INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1992
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1992
 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 31-OCT-1992
 BALANCE at CLOSING \$122,171.50 PAID BY CERTIFIED CHECK
 Total PAYMENT \$125,950.00

MORTGAGE AMOUNT: \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.
 (SELLER) 10.15.92 DATE
 Alan H. Crook 10/1/92 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

=====
 YOU HAVE TO RETURN TO THE OFFICE OF CANCELLATION TO THE DEPARTMENT OF TREASURY WHICH IT IS EXECUTED SUCH AS REFUNDED IN THEIR ENTIRETY

KHOV032825

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: H

The Purchase Agreement between FREDERICK A. MORTON, JR. BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/8/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 120,656.07
- 2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,619.68
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,036.39
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 119,046.07.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/26/93
DATE

Frederick A. Morton, Jr.
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV032831



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Morton BLDG./UNIT NO: 21H MODEL NO: 1400-BB

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/17, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Frederick A. Morton, Jr. 4/17/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032839

SUMMARY OF BASIC PROVISIONS

AR
IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
 Tel: Res: (201) 824-7943 NEWARK
 Bus: () - NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.08
 BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BE >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL: \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	17-APR-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	17-APR-1993
	ADDITIONAL DEPOSIT	\$ 2,478.50	BY DATE	17-MAY-1993
	BALANCE at CLOSING	\$112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
 Estimated COMPLETION DATE: ~~14-FEB-1993~~
 30-JUNE-1993 ✓ DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Frederick A. Morton, Jr. 4/17/93
 (BUYER) DATE

[Signature] 4-20-93
 (SELLER) DATE

(BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1998

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material factor for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 17 day of April, 1993.

Buyer: Fredrick A. Morkin, Jr.

[Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Fredrick A. Morkin, Jr. 4/17/93
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne 4-20-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032846

SUMMARY OF BASIC PROVISIONS

AR
1C16

SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
Tel: Res: (201) 824-7943 NEWARK
Bus: () NJ , 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.08
BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BR >

PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE OF MODEL \$115,950.00

48 Cornerstone Ln.

PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-APR-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 17-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK

Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
Estimated COMPLETION DATE: ~~14-FEB-1992~~
30-JUNE-1993 ✓
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Frederick A. Morton, Jr. 4/17/93
(BUYER) DATE

SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>5620.10</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>4,198.50</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>136,371.60</u>	
Total Purchase Price	\$ <u>140,570.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/30/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian
Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sia Weems

"BUYER"
* Ada M. Hanzler

FORMS DS/PR/INCE
02/12/90

KHOV032868

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,950.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 5,000.10

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3,048.50 due on 2/27/93

Additional deposit \$ 150.00 due on 2/27/93

Total deposit \$ 4,198.50

Balance due at closing
(cash of certified check) \$ 135,751.60

Total Purchase Price \$ 139,950.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

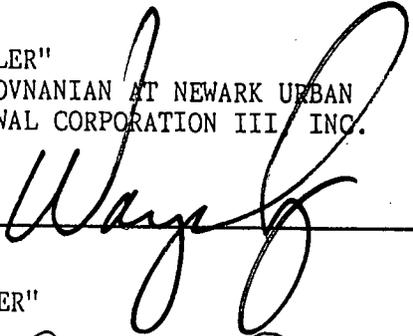
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032890

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

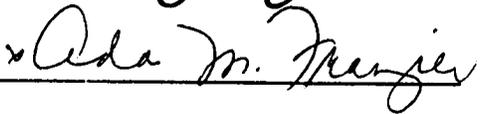
DATE 3-3-93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE 2/27/93

"BUYER"



WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Fin Weems

FORMS DS/PR/INCE
2/12/90

KHOV032891



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. Frazin UNIT NO.: 711 MODEL NO.: 1900

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/30, 1993, I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: Mr. Frazin DATE: 1-30-93



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032899

SUMMARY OF BASIC PROVISIONS

AK IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ADA M FRAZIER (W) of 88 WILSEY STREET
 Tel: Res: (201) 643-4662 NEWARK
 Bus: (201) 575-3990 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.09
 BLDG NO.: 21 , UNIT NO: I , MODEL: TPGF1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-JAN-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-JAN-1993
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	01-MAR-1993
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 31-MAR-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 2-3-93

*Ada M. Frazier	1-30-93
_____ (BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV032902



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of January, 1993.

Buyer: *Ada M. Franjez*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Ada M. Franjez 1-30-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 2-3-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV032906

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Edward M. Dixon

Dorothy V. Dixon

_____, Buyer.

UNIT 5, BLDG. 21

PURCHASE AGREEMENT DATED: 4/13/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 141,935.28

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>6,985.28</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>1,000.00</u>	
Balance due at closing (cash of certified check)	\$ <u>140,935.28</u>	
Total Purchase Price	\$ <u>141,935.28</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 141,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/12/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032931

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.9.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 5/6/93

"BUYER"

x *[Signature]*

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x *[Signature]*

[Signature]

FORMS DS/PR/INCE
2/12/90

KHOV032932



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr + Mrs. Dixon BLDG./UNIT NO: 315 MODEL NO: 1800

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/13, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Buyer signature and date lines: Edward M. Dixon 4-13-93, Dorothy V. Dixon 4/13/93, and two blank lines.



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032940



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: MODEL NO:

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV032950

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (718) 330-5040 NY 10035.

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (212) 305-6533 NY 10035.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.10
BLDG NO.: 21 , UNIT NO: J , MODEL: TFFG1800-BB

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-APR-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 13-MAY-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

4-16-93

(BUYER)

(BUYER)

(BUYER)

(BUYER)

4/13/93

4/13/93

DATE

DATE

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032953



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 13th day of April, 1993.

Buyer: *Edward M. Dubin*

Lisa M. Weems

Buyer: *Dorothy V. Dixon*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Edward M. Dubin 4/13/93
BUYER DATE

Dorothy V. Dixon 4/13/93
BUYER DATE

BY: *Wayne Soojian* 4.16.93
DATE
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

KHOV032957

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
 NEW YORK
 NY ,10035.
 Tel: Res: (212) 348-8155
 Bus: (718) 330-5040

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
 NEW YORK
 NY ,10035.
 Tel: Res: (212) 348-8155
 Bus: (212) 305-6533

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY. *44 Cornerstone Lane*
 BLOCK NO: 406 , LOT NO: 21.10
 BLDG NO.: 21 , UNIT NO: J , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	13-APR-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	13-APR-1993
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	13-MAY-1993
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Edward M. Dixon 4-13-93
 (BUYER) DATE
Dorothy V. Dixon 4/13/93
 (BUYER) DATE

_____ (SELLER)	_____ DATE	_____ (BUYER)	_____ DATE
		_____ (BUYER)	_____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bounean BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,600.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly & Bounean
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032973

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 2f

Unit No.: K

The Purchase Agreement between Delly F. Bonneau BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 131,965.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,331.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,697.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 130,410.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

October 2, 1993
DATE

Delly F. Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SUCJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032986

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly G. Branneau BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,150.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,516.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,622.67
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,410.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

Sept. 11, 1993
DATE

Dolly G. Branneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032998

CR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly & Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033019

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly B. Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033020

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DOLLY L BONNEAU (u) of 97 SOMERSET STREET/APT C6
 Tel: Res: (201) 824-8552 NEWARK
 Bus: (201) 761-4298 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.11
 BLDG NO.: 21 , UNIT NO: K , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	17-JUL-1993
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	17-JUL-1993
ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	16-AUG-1993
BALANCE at CLOSING		\$112,471.50	PAID by CERTIFIED CHECK	
Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 15-SEP-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

[Signature] 7.19.93
 (SELLER) DATE

[Signature] 7/17/93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033021

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 17th day of July, 1993.

Buyer: *Rolly H. Koumian*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Rolly H. Koumian 7/17/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Scorian* 7.19.93
WAYNE SCORIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033025

SUMMARY OF PARTIAL CONDITIONS

AR

The SELLER: R. HAYNATHAN GREENBERG - URBAN RENOVATION CORP. Located at:
10 HIGHWAY 25, P.O. BOX 500
RED BANK, NEW JERSEY 07701.

The BUYER(S): HOLLY L. BONNEAU (W) of 27 SOMERSET STREET/APT. C6
RED BANK, NEW JERSEY 07701.
Tel: Res: (201) 824-3600
Bus: (201) 261-4208

Will occupy the Premises as a primary residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ URBAN HEIGHTS III E&C
REMARK: RDM JERSEY.
BLOCK NO: 406 UNIT NO: K MODEL: TYP1400-100
BLDG NO: 24

The PURCHASE PRICE: \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

42 Cornerstone Ln.

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	17-JUL-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	17 JUL 1993
	ADDITIONAL DEPOSIT	\$ 2,471.50	BY DATE	16-AUG 1993
	BALANCE at CLOSING	\$112,471.50	PAID BY	CHECKED CHECK
Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00
MORTGAGE COMPLETION DATE: 15-SEP-1993
Estimated COMPLETION DATE: 14-DEC-1993
BY-MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

Holly L. Bonneau 7/17/93
BUYER DATE

R. Haynathan at Newark
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

BUYER

DATE

BUYER

DATE

BUYER

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landrama, Inc.
Attn: H. Michael McGrovey
10 Highway 25, P.O. Box 500
Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Bonneau BLDG./UNIT NO: 312 MODEL NO: 1402

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 7/17, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 7/17/93

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV033059

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharan Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator selections, Options and Upgrades as per attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharan H. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033064

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharon H. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033065

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1211.75
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,336.69
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-20-93
DATE

X Sharon A. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033067

AR

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Sharon Ferguson

_____, Buyer.

UNIT: L BLDG. 21

PURCHASE AGREEMENT DATED: 12-6-93

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$ 3200.00

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 12-13-93

"BUYER"
x Sharon A. Ferguson

WITNESS AS TO SIGNATURES
OF ALL BUYERS:
Joseph A. Bailey

SUMMARY OF BASIC PROVISIONS

TC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY
 Tel: Res: (201) 674-7147 E. ORANGE 07017
 Bus: (212) 390-2192 NJ

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS L11 E&C
 NETWORK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.12
 BLDG NO.: 21 , UNIT NO: L , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
 Consisting of:
 BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	06-DEC-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	06-DEC-1993
	ADDITIONAL DEPOSIT	\$	2,688.50	BY DATE	05-JAN-1994
	BALANCE at CLOSING	\$	119,261.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$	122,950.00		

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04-FEB-1994
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS- PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(SELLER) [Signature] 12-10-93 DATE

X [Signature] 12/6/93 DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033085



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6 day of Dec., 1993.

Buyer: X Sharon Fugo

Joseph Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Sharon Fugo 12/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION, III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12.10.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033089

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K. HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY
 Tel: Res: (201) 674-7147 E. ORANGE 07017
 Bus: (212) 390-2192 NJ

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS LLC E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.12
 BLDG NO: 21 , UNIT NO: 1 , MODEL: TFP01500-BB >

The PURCHASE PRICE : \$122,950.00
 Consisting of:
 BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	06-DEC-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-DEC-1993
	ADDITIONAL DEPOSIT	\$ 2,688.50	BY DATE	05-JAN-1994
	BALANCE at CLOSING	\$119,261.50	PAID by CERTIFIED CHECK	
	Total PAYMENT	\$122,950.00		

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04-FEB-1994
 Estimated COMPLETION DATE: 14-FEB-1993
 DAY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation LLC, Inc.

X Sharon Ferguson - 12/6/93
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV033094



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ferguson BLDG./UNIT NO: 211 MODEL NO: 1500 Garage

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12-6-93, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

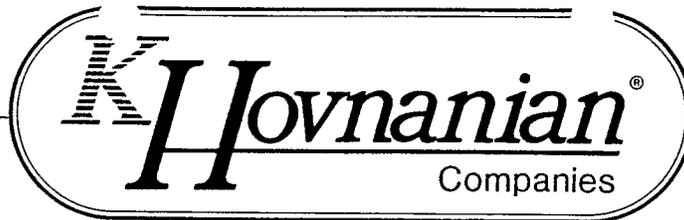
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 12/6/93
BUYER DATE
BUYER DATE
BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV033096



February 13, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MACK
Lot: 21.06 Block: 406
Address: 61 Yancy Drive
Newark, NJ 07103

Closing date: 4-8-93
Deed Amount: 130,941.72

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

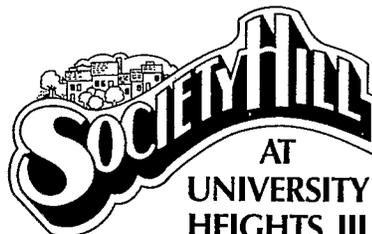
Very truly yours,

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033102

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Pecker Sharkey & Associates
 11 Elmwood Drive
 Clifton, NJ 07011

908-277-1100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

Sec. Mill & University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

- COMPANY LETTER **A**
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
	COMMERCIAL GENERAL LIABILITY-INSURANCE		1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	CLAIMS MADE & OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
	A Blanket Building BINDER & Contents		1/01/93	1/01/94	111,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W Fidelity Limit 1100,000.
 LOC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) LOT: 21.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.
 THEIR SUCCESSORS AND/OR ASSIGNS
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV033114

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Becker Murphy & MacLean
 11 Lawrence Blvd
 Edison, NJ 08817

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A**

General Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

St. Hill University Hts. III
 c/o Eastern Community Hgt
 225 Highway 30
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
	COMMERCIAL GENERAL LIABILITY: CLAIMS MADE, OCCUR. OWNER'S & CONTRACTOR'S PROT.	11011	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG. \$ 1,000,000 PERSONAL & ADV. INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER				
	Blanket Building BINDER & Contents		1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W Fidelity Limit \$100,000.
 LOC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) IOP: 21.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
 THEIR SUCCESSORS AND/OR ASSIGNS
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

VETERANS ADMINISTRATION U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WOOD DESTROYING INSECT INFORMATION EXISTING CONSTRUCTION	1A. VA CASE NUMBER	2. DATE 11/6/92
	1B. HUD/FHA CASE NUMBER	

PRIVACY ACT INFORMATION - The information requested on this form will be used in evaluating the property for a VA or HUD insured loan. Although you are not required by law to provide this information, failure to provide it can result in rejection of the property as security for your loan. The information collected will not be disclosed outside VA or HUD except as permitted by law. VA and HUD are authorized to request this information by statute (38 U.S.C. 1810(b)(4) and 12 U.S.C. 1701 et seq.).

READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM

- The VA case number or HUD/FHA case number shall be inserted in Item 1 by the lender or the pest control company.
- When treatment is indicated in Item 8C, the insects treated will be named, the data on application method and chemicals used shall be entered in Item 10. Proper control measures may include issuance of warranty. Warranty information should also be entered below. Proper control measures are those which follow good acceptable industry practices.
- If visual evidence is found, the insects causing such evidence will be listed in Item 8A and damage resulting from such infestation will be noted in Item 8D.
- Areas that were inaccessible or obstructed (Item 7) may include, but are not limited to, wall covering, fixed ceilings, floor coverings, furniture or stored articles. The Pest Control Operator (PCO) should list, in item 7, those obstructions or areas which inhibit the inspection.
- Item 8A may be checked when the PCO is not authorized to perform control measures by the owner/seller or control measures cannot be performed due to conditions beyond control, e.g. obstruction, weather, etc.
- Visible, evidence of conditions conducive to infestation from subterranean termites shall be reported on reverse of the form (earth-wood contact, faulty grades, insufficient ventilation, etc.).

3A. NAME OF INSPECTION COMPANY Simmons & Son Termite & Pest Control, Inc.	5A. NAME OF PROPERTY OWNER/SELLER K. Hovnanian
3B. ADDRESS OF INSPECTION COMPANY (Include ZIP Code) 103 West 4th Street, P.O. Box 5532 Plainfield, New Jersey 07060	5B. ADDRESS OF PROPERTY 61 Yancy Drive - 21F Newark, New Jersey
3C. TELEPHONE NUMBER (Include Area Code)	4. PEST CONTROL OPERATOR LICENSE NUMBER
5C. STRUCTURE(S) INSPECTED	

FINDINGS

6. WERE ANY AREAS OF THE PROPERTY OBSTRUCTED OR INACCESSIBLE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If "Yes" complete Item 7)</i>	7. OBSTRUCTIONS OR INACCESSIBLE AREAS (specify) (Read Item 11B before completing.)
---	--

8. BASED ON CAREFUL VISUAL INSPECTION OF THE READILY ACCESSIBLE AREAS OF THE PROPERTY (See Item 11A before completing).

A. Visible evidence of wood destroying insects was observed. No control measures were performed. Insects observed: _____

B. No visible evidence of infestation from wood destroying insects was observed.

C. Visible evidence of infestation was noted; proper control measures were performed.

D. Visible damage due to _____ has been observed in the following areas: _____

E. Visible evidence of previously treated infestation, which is now inactive, was observed. (Explain in Item 10)

9. DAMAGE OBSERVED ABOVE, IF ANY. (Check One)	10. ADDITIONAL COMMENTS (If necessary, continue on reverse.)
<input type="checkbox"/> A. Will be/has been corrected by this company. <input type="checkbox"/> B. Will be corrected by another company (see attached contract). <input type="checkbox"/> C. Will not be corrected by this company. Recommend that damage be evaluated by qualified building expert.	

11. STATEMENT OF PEST CONTROL OPERATOR

- A. The inspection covered the readily accessible areas of the property, including attics and crawl spaces which permit entry. Special attention was given to those accessible areas which experience has shown to be particularly susceptible to attack by wood destroying insects. Probing and/or sounding of those areas and other visible accessible wood members showing evidence of infestation was performed.
- B. The inspection did not include areas which were obstructed or inaccessible at the time of inspection. (See instruction number 4 above.)
- C. This is not a structural damage report. Neither is this a warranty as to absence of wood destroying insects.
- D. Neither I nor the company for which I am acting have had, presently have, or contemplate having any interest in the property. I do further state that neither I nor the company for which I am acting is associated in any way with any party to this transaction.

12A. SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE 	12B. TITLE PRESIDENT	12C. DATE 11/6/92
--	--------------------------------	-----------------------------

STATEMENT OF PURCHASER

I have received the original or a legible copy of this form.

14. SIGNATURE OF PURCHASER	15. DATE
----------------------------	----------

KHOV033116

EASTERN TITLE AGENCY
One Industrial Way West Bldg D, Eatontown, NJ 07724(908) 389-0009
TELEFAX 201-389-9023

21F

MICHAEL KEHOE

FREDERICK J. BRENNER

March 17, 1993

CHERYL J. WICKHAM, ESQUIRE
CONTINENTAL INSURANCE
1 CONTINENTAL DRIVE
CRANBURY, NJ 08570

SALES OFFICE

RE: Title No. ET10744
MACK FROM K. HOVNIANIAN
61 YANCY DRIVE
NEWARK, NJ

Dear Sir:

Enclosed please find the following

- (X) Original and one copies of Title Commitment
- (X) Invoice
- (X) Approved Attorney Letter - Sent to lender
- (X) Optional Remittance Form
- (X) Optional Notice of Settlement Form
- () Title Search Only
- (X) Miscellaneous Notices
- () Title Search Request Form
- () Survey(s)
- (X) NOTE: Copy of Title Commitment mailed to Lendor
- () Other

/dt
Encls.

KHOV033117

THIS INDENTURE
(Site C and E)

Dated APRIL 8, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LEROY M. MACK AND ROSEMARIE V. MACK, H/W

the GRANTEE

about to reside at 61 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$130,941.72 ONE HUNDRED THIRTY THOUSAND NINE HUNDRED FORTY ONE AND 72/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

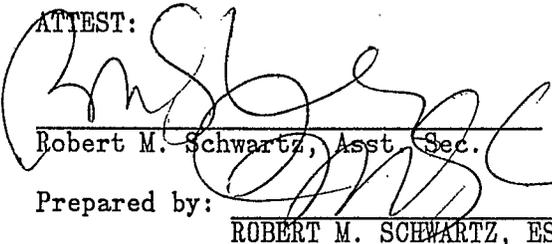
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.06, in Block No. 406, on the tax map of the City of Newark.

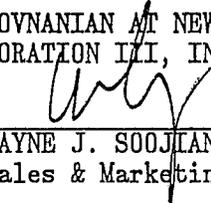
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

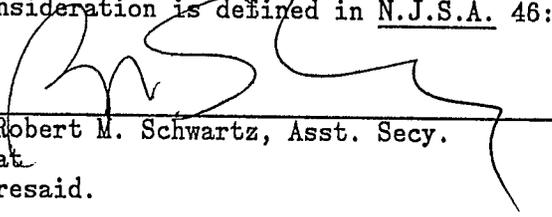
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

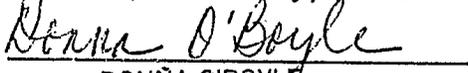
KHOV033126

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 8, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 130,941.72.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 8TH day of APRIL, 1993.

GRANTEE LEROY M. MACK

GRANTEE ROSEMARIE V. MACK

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 8TH day of APRIL, 1993, before me, the subscriber LEROY M. MACK AND ROSEMARIE V. MACK personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
LEROY M. MACK AND ROSEMARIE V. MACK

CHARGE, RECORD AND RETURN TO CHERYL J. WICKHAM, ESQUIRE
1 CONTINENTAL DRIVE, CRANBURY, NJ 08570

KHOV033127

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Sec. Hill a University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

---THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM			4/6/93	EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W

LGC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) LOT: 21.06 BLOCK: 406

Fidelity Limit \$100,000.

KH0V033137

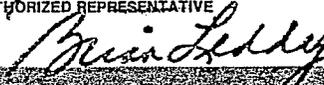
CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

AR

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

LEROY MACK
ROSEMARIE MACK
_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 130,941.72

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>125,950.00</u>
DS Number	\$ <u>4,991.72</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1000.00</u>
Deposit balance due	\$ <u>2,778.50</u> due on <u>10/19/92</u>
Additional deposit	\$ <u>148.83</u> due on <u>12/30/92</u>
Total deposit	\$ <u>3,927.33</u>
Balance due at closing (cash of certified check)	\$ <u>127,014.39</u>
Total Purchase Price	\$ <u>130,941.72</u>

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

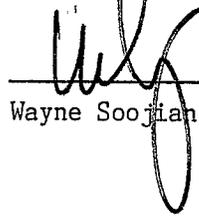
\$ 115,950

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

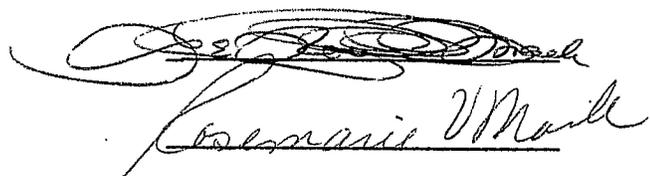
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



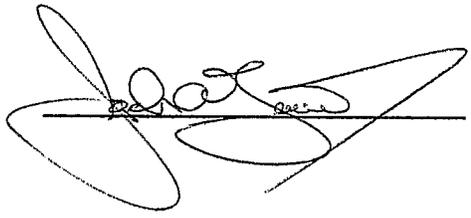
Wayne Soojian

DATE 12-30-92

"BUYER"



WITNESS AS TO SIGNATURE
OF ALL BUYERS



FORMS DS/PR/INCE
02/12/90

KHOV033150

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN (NEWARK) URB RENEWAL CORP (Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK (H) of P.O. BOX 733
 Tel: Res: (201) 416-9240 IRVINGTON
 Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK (W) of P.O. BOX 733
 Tel: Res: (201) 416-9240 IRVINGTON
 Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL (UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 21.06
 BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-UR >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
 ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
 BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 10-13-92

[Signature] 10-1-92
 (BUYER) DATE
[Signature] 10/1/92
 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033151

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

[Signature]

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature]
BUYER
DATE

[Signature]
BUYER
DATE

[Signature] 10.13.92
DATE
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES



October 2, 1992

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. Hovnanian at Newark
Urban Renewal Corporation
III, Inc.
To: CROOK & HALL
Lot: 21.07 Block: 406
Address: 50 Cornerstone Lane
Newark, NJ 07103
Closing date: 2-19-93
DEED AMT: 132,816.88

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

x. Allan H. Crook
Buyer

CA
Buyer

K. HOVNANIAN OF NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033160

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 19, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALAN H. CROOK, UNMARRIED AND CHERO HALL, UNMARRIED

the GRANTEE

about to reside at 50 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$132,816.88 ONE HUNDRED THIRTY TWO THOUSAND EIGHT HUNDRED SIXTEEN AND 88/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 21, in Building No. G, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

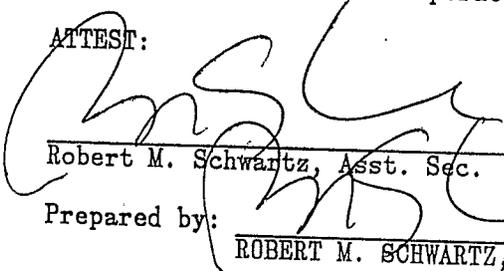
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

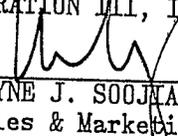
Being also known as Lot No. 21.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

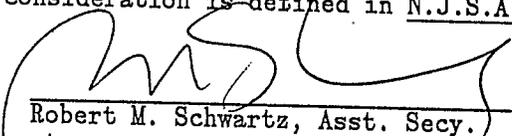
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV033180

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 19, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 132,816.88.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY SPECIFIC POWER OF ATTORNEY
My Commission Expires Dec. 6, 1996

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 19 day of FEBRUARY, 1993.

GRANTEE ALAN H. CROOK GRANTEE CHERO HALL

State of New Jersey) ss:
County of _____)

Be it remembered, that on this 19 day of FEBRUARY, 1993, before me, the subscriber ALAN H. CROOK AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* CHERO HALL

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
ALAN H. CROOK AND CHERO HALL

CHARGE, RECORD AND RETURN TO LARRY PLUMMER, ESQUIRE
1139 EAST JERSEY STREET, ELIZABETH, NJ 07201

KHOV033181

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000
					PRODUCTS-COMP/OP AGG. \$ 100000
					PERSONAL & ADV. INJURY \$ 100000
					EACH OCCURRENCE \$ 100000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALAN H. CROOK, UNMARRIED AND CHERO HALL, UNMARRIED Fidelity Limit \$100,000.
 LOC: 50 CORNERSTONE LANE, NEWARK, NJ 07103 (21G) LOT: 21.07 BLOCK: 406

KHOV033191

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Brian Leddy

010036000

al

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALAN CROOK
CHERO HALL

_____, Buyer.

UNIT 21, BLDG. G

PURCHASE AGREEMENT DATED: 10/1/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$132,816.88

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>125,950.00</u>
DS Number	\$ <u>6,866.88</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,778.50</u>	due on <u>10/31/92</u>
Additional deposit	\$ <u>206.01</u>	due on <u>12/16/92</u>
Total deposit	\$ <u>3,984.51</u>	
Balance due at closing (cash of certified check)	\$ <u>128,832.37</u>	
Total Purchase Price	\$ <u>132,816.88</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 128,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/30/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 12.21.92

"SELLER"
K. HOVNANTAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten Signature]

DATE X 12/18/92

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

X Alan H. Cook

X [Handwritten Signature]

FORMS DS/PR/INCE
2/12/90

KHOV033210

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
 Tel: Res: (201) 672-6164 EAST ORANGE
 Bus: (201) 466-4913 NJ ,07018.

CHERO HALL (u) of PO BOX 812
 Tel: Res: (201) 802-1728 EAST ORANGE
 Bus: (201) 392-5646 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL (UNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 , LOT NO: 21.07
 BLDG NO.: 21 , UNIT NO: G , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
 Consisting of:
 BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	01-OCT-1992
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	01-OCT-1992
	ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	31-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$125,950.00			

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

[Signature]
 (SELLER) 10-13-92 DATE

<i>[Signature]</i>	<u>10/1/92</u>
(BUYER)	DATE
<i>[Signature]</i>	<u>6/1/92</u>
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

Buyer: [Signature]

[Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

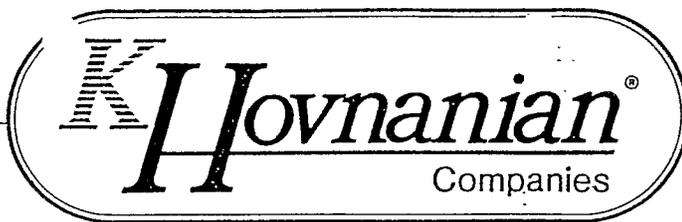
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] BUYER DATE 10/1/92

[Signature] BUYER DATE 10/1/92

BY: [Signature] DATE 10.13.92
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

KHOV033215



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MORTON
Lot: 21.08 Block: 406
Address: 48 CORNERSTONE LANE
NEWARK, NJ 07103

Closing date: *August 9, 1993*
Deed Amount: 119,041.07

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Fredrick A. Frank, Jr.
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033219

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED

Sec.Hill & University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
A X	COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	CLAIMS MADE X OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED Fidelity Limit: \$100,000.
LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Clanfield, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

Sec. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
A X	COMMERCIAL GENERAL LIABILITY CLAIMS MADE, X OCCUR. OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED Fidelity Limit: \$100,000.
LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

KHOV033238

THIS INDENTURE
(Site C and E)

Dated AUGUST 9, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND FREDERICK A. MORTON, JR., UNMARRIED

the GRANTEE

about to reside at 48 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,041.07 ONE HUNDRED NINETEEN THOUSAND FORTY ONE AND 07/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.08, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

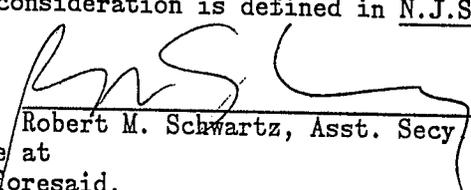
BY: Wayne J. Soojian
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: ROBERT M. SCHWARTZ, ESQ.

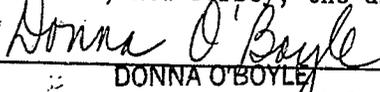
KHOV033243

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On AUGUST 9, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,041.07.


Robert M. Schwartz, Asst. Secy

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 9TH day of AUGUST, 1993.

GRANTEE FREDERICK A. MORTON, JR. GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 9TH day of AUGUST, 1993, before me, the subscriber FREDERICK A. MORTON, JR., personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
FREDERICK A. MORTON, JR.

CHARGE, RECORD AND RETURN TO JACK C. FEINSTEIN, ESQUIRE
RR 3, BOX 399
HAMPTON, NJ 08827

KHOV033244

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill 2 University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY
 8/6/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED **Fidelity Limit: \$100,000.**
LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

KHOV033254

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
 ITS SUCCESSORS AND/OR ASSIGNS
 P.O. BOX 8111
 VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Kevin Leddy

010036000

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: H

The Purchase Agreement between FREDERICK A. MORTON, JR. BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/8/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 120,656.07
- 2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,619.68
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,036.39
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 119,096.07.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/26/93
DATE

Frederick A. Morton, Jr.
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033272

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
 Tel: Res: (201) 824-7943 NEWARK
 Bus: () NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.08
 BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-APR-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-APR-1993
 ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 17-MAY-1993
 BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
 Estimated COMPLETION DATE: ~~14-FEB-1993~~
 30-JUNE-1993 ✓ BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(SELLER)

DATE

Frederick A. Morton, Jr. 4/17/93
 (BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033273

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1998

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 17 day of April, 1993.

Buyer: Frederick A. Mark, Jr.

[Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Frederick A. Mark, Jr. 4/17/1993
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 4-20-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033277



February 1, 1993

X Tax Collector

Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FRAZIER
Lot: 21.09 Block: 406
Address: 46 Cornerstone Lane
Newark, NJ 07103

Closing date: 5-27-93
Deed Amount: 139,105.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Eda M. Frazier 3/2/93
Buyer

Buyer

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033282

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ADA M. FRAZIER, UNMARRIED

the GRANTEE

about to reside at 46 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$139,105.10 ONE HUNDRED THIRTY NINE THOUSAND ONE HUNDRED FIVE AND 10/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. I, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: Wayne J. Soojian
WAYNE J. SOOJIAN,
Sales & Marketing Director

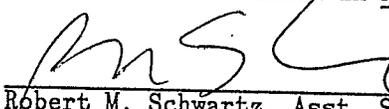
Robert M. Schwartz, Asst. Sec.

Prepared by: ROBERT M. SCHWARTZ, ESQ.

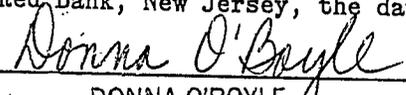
KHOV033308

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 27, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 139,105.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27TH day of MAY, 1993.

GRANTEE ADA M. FRAZIER GRANTEE

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 27TH day of MAY, 1993, before me, the subscriber ADA M. FRAZIER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to ADA M. FRAZIER

CHARGE, RECORD AND RETURN TO NEIL J. DWORKIN, ESQUIRE
664 STUYVESANT AVENUE, IRVINGTON, NJ 07111

KHOV033309

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** **St. Paul Fire & Marine**

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill 2 University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
NON-OWNED AUTOS					
GARAGE LIABILITY					
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY

5/25/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED **Fidelity Limit:** \$100,000.
LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (21I) LOT: 21.09 BLOCK: 406

KHOV033319

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Brian Leddy* 010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
 COMPANY LETTER **B**
 COMPANY LETTER **C**
 COMPANY LETTER **D**
 COMPANY LETTER **E**

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED Fidelity Limit: \$100,000.
 LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (21I) LOT: 21.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-4100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
A X	COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG. \$ 1,000,000 PERSONAL & ADV. INJURY \$ 1,000,000 EACH OCCURRENCE \$ 100,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED Fidelity Limit: \$100,000.
LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (211) LOT: 21.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 31

PURCHASE AGREEMENT DATED: 1/31/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10.

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>5620.10</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>4,198.50</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>136,371.60</u>	
Total Purchase Price	\$ <u>140,570.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by NA, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033334

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian
Wayne Soojian

DATE 5/20/93

"BUYER"
Ada M. Hanyan

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Five Weeks

FORMS DS/PR/INCE
02/12/90

KHOV033335

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/31/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>5620.10</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>4,198.50</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>136,371.60</u>	
Total Purchase Price	\$ <u>140,570.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033336

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

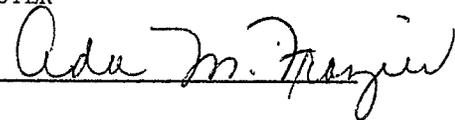
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.


Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"


FORMS DS/PR/INCE
02/12/90

KHOV033337

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 31

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>134,950.00</u>
DS Number	\$ _____
_____	\$ <u>5620.10</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>4,198.50</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>136,371.60</u>	
Total Purchase Price	\$ <u>140,570.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033338

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian
Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sisa Weems

"BUYER"
Adnan M. Faraj

FORMS DS/PR/INCE
02/12/90

KHOV033339

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,950.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5,000.10
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>3,048.50</u>	due on <u>2/27/93</u>
Additional deposit	\$ <u>150.00</u>	due on <u>2/27/93</u>
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>135,751.60</u>	
Total Purchase Price	\$ <u>139,950.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033342

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-3-93

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten signature]

DATE 2/27/93

"BUYER"

[Handwritten signature]

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

[Handwritten signature]

FORMS DS/PR/INCE
2/12/90

KHOV033343



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Seller shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of January, 1993.

Buyer: *Ada M. Frayser*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Ada M. Frayser 1-30-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 2-3-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033348



April 14, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DIXON
Lot: 21.10 Block: 406
Address: 44 Cornerstone Lane
Newark, NJ 07103

Closing date: 7-28-93
Deed Amount: 140,775.28

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Edward M. Dixon
Buyer

Dorothy V. Dixon
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033353

T-H I S I N D E N T U R E
(Site C and E)

Dated JULY 28, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EDWARD M. DIXON AND DOROTHY V. DIXON, H/W

the GRANTEE

about to reside at 44 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$140,775.28 ONE HUNDRED FORTY THOUSAND SEVEN HUNDRED SEVENTY FIVE AND 28/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:
Unit No. 1, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

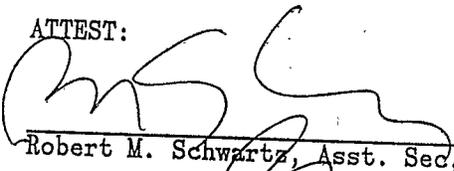
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

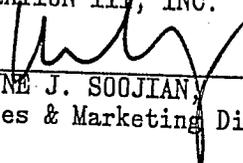
Being also known as Lot No. 21.10, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

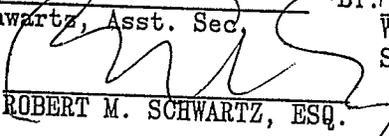
ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

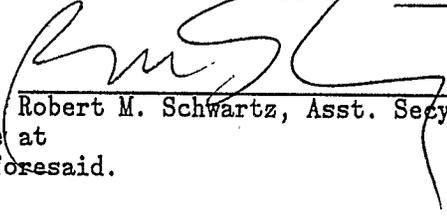
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV033376

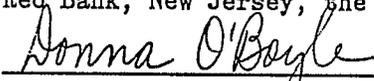
Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 28, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 140,775.28.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1998 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of JULY, 1993.

GRANTEE EDWARD M. DIXON

GRANTEE DOROTHY V. DIXON

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of JULY, 1993, before me, the subscriber EDWARD M. DIXON & DOROTHY V. DIXON personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
EDWARD M. DIXON AND DOROTHY V. DIXON

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV033377

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OF AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY

7/22/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EDWARD M. DIXON AND DOROTHY V. DIXON, H/W **Fidelity Limit:** \$100,000.
LOC: 44 CORNERSTONE LANE, NEWARK, NJ 07103 (21J) LOT: 21.10 BLOCK: 406

KHOV033387

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION
 AND/OR ITS ASSIGNS
 80 MAIN STREET
 WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Kevin L...

010036000

af

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Edward M. Dixon

Josothy V. Dixon

_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 4/13/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 141,935.28

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 6,985.28

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 140,935.28

Total Purchase Price \$ 141,935.28

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 141,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/12/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033403

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.9.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten signature]

DATE 5/6/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x *[Handwritten signature]*

Fin Weiss

x *[Handwritten signature]*

FORMS DS/PR/INCE
2/12/90

KHOV033404

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
NEW YORK
Tel: Res: (212) 348-8155
Bus: (718) 330-5040 NY ,10035.

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
NEW YORK
Tel: Res: (212) 348-8155
Bus: (212) 305-6533 NY ,10035.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.10
BLDG NO.: 21 , UNIT NO: J , MODEL: TPF81800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-APR-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 13-MAY-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Edward M Dixon 4-13-93
(DOOR) DATE
Dorothy V. Dixon 4-13-93
(DOOR) DATE
(DOOR) DATE
(DOOR) DATE

(SELLER) DATE 4-16-93

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033405



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 13th day of April, 1993.

Buyer: *Edward M. Dub*

Lisa M. Weems

Buyer: *Dorothy V. Dyer*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Edward M. Dub 4-13-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Dorothy V. Dyer 4/13/93
BUYER DATE

Wayne Soojian 4-16-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV033409



___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BONNEAU
Lot: 21.11 Block: 406
Address: 42 Cornerstone Lane
Newark, NJ 07103

Closing date: JANUARY 28, 1994
Deed Amount: \$121,510.89

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Dolly L. Bonneau
Buyer / DOLLY L. BONNEAU

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033416



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
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Please change your account records immediately to reflect the above.

Very truly yours,

Dolly L. Bonneau
Buyer DOLLY L. BONNEAU

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033417

THIS INDENTURE
(Site C and E)

Dated JANUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DOLLY L. BONNEAU, UNMARRIED

the GRANTEE

about to reside at 42 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,510.89 ~~ONE HUNDRED TWENTY ONE THOUSAND FIVE HUNDRED TEN AND .89/100~~ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. K, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.11, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV033456

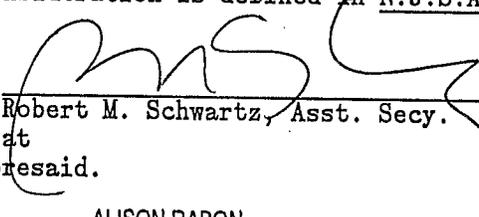
BY: Wayne J. Soojian
WAYNE J. SOOJIAN,
Sales & Marketing Director

Robert M. Schwartz
Robert M. Schwartz, Asst. Sec.

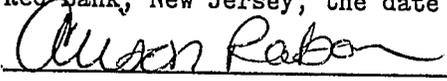
Prepared by: Robert M. Schwartz, Esq.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JANUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 127,510.89.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 21, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of JANUARY, 1994.

GRANTEE DOLLY L. BONNEAU

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of JANUARY, 1994, before me, the subscriber DOLLY L. BONNEAU, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
DOLLY L. BONNEAU

CHARGE, RECORD AND RETURN TO ALICIA D. BASS, ESQUIRE
880 BERGEN AVE/SUITE 201
JERSEY CITY, NJ 07306

KHOV033457

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER 355764	1/01/94	1/01/95	GENERAL AGGREGATE \$ 500000
					PRODUCTS-COMP/OP AGG. \$ 300000
					PERSONAL & ADV. INJURY \$ 300000
					EACH OCCURRENCE \$ 300000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER #355764	1/01/94	1/01/95	\$11,475,000.

CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLLY L. BONNEAU, UNMARRIED Fidelity Limit: \$100,000.
 LOC: 42 CORNERSTONE LANE, NEWARK, NJ 07103 (21K) LOT: 21.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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A	GENERAL LIABILITY	BINDER 355764	1/01/94	1/01/95	GENERAL AGGREGATE \$ 500000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 300000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 300000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 300000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER #355764	1/01/94	1/01/95	\$11,475,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLLY L. BONNEAU, UNMARRIED Fidelity Limit: \$100,000.
LOC: 42 CORNERSTONE LANE, NEWARK, NJ 07103 (21K) LOT: 21.11 BLOCK: 406

CERTIFICATE HOLDER

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ONE INDUSTRIAL WAY WEST, BLDG. D
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CANCELLATION

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AUTHORIZED REPRESENTATIVE

[Signature]

010036000

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21 Commerce Drive
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	GENERAL LIABILITY				
A X	COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY				
	UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLLY L. BONNEAU, UNMARRIED Fidelity Limit: \$100,000.
LOC: 42 CORNSTONE LANE, NEWARK, NJ 07103 (2IK) LOT: 21.11 BLOCK: 406

CERTIFICATE HOLDER

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THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE 010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
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- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **DOLLY L. BONAUI, UNMARRIED** Fidelity Limit: \$100,000.
 LOC: **42 CONNORS LANE, NEWARK, NJ 07103 (21K) 10F: 21.11 FLOOR: 405**

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Speaker Sharkey L MacBean
21 Commerce Drive
Cranford, NJ 07016

902-277-4131

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG. \$ 1,000,000 PERSONAL & ADV. INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY				
	<input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **DILY L. HOVNIAN, UNMARRIED** Fidelity Limit: \$100,000.
 LOC: **42 CONNERSONE LANE, NEWARK, NJ 07103 (21K) 10F: 21.11 BLOCK: 406**

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE 010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly f Bonneau BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

7/21/93
DATE

Dolly f Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033490

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 28

Unit No.: K

The Purchase Agreement between Dolly F. Bonneau BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 131,965.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,331.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 130,410.89
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

October 2/1993
DATE

Dolly F. Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033499

AK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly G. Bruneau BUYER (S)

_____ BUYER (S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,150.89

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,516.36

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,410.89.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

Sept. 11, 1993
DATE

Dolly G. Bruneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033500

S U M M A R Y O F T E R M S A N D C O N D I T I O N S

AK

The SELLER: R. HOVNANIAN (NEWARK) URBAN RENOVATION CORP. Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07101.

The BUYER(S): DOLLY L. BONNEAU (W) of 37 CONVERSE STREET/APT 10,
 NEWARK, NJ 07102.
 Tel: Res: (201) 824-8552
 Bus: (201) 761-4298

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III S&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 400 LOT NO: 21.11
 BLDG NO: 21 UNIT NO: K MODEL: TP-TC1400-60

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	12-JUL-1993
	ON SIGNED CONTRACT	\$ 1,000.00	ON DATE	17-JUL-1993
	ADDITIONAL DEPOSIT	\$ 2,470.50	BY DATE	16-AUG-1993
	BALANCE at CLOSING	\$112,479.50	PAID by CASH/STIPEND	
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,479.50 MORTGAGE COMPLETION DATE: 15-SEP-1993
 Estimated COMPLETION DATE: 14-SEP-1993
 BY NOV 1993

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.
[Signature]
 (SELLER) 7-15-93 DATE

[Signature] 7/17/93 DATE
 (BUYER)
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGrovey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07101

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 17th day of July, 1993.

Buyer: *Dally G. Bonneau*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Dally G. Bonneau 7/17/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne* 7-19-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV033507



March 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FERGUSON
Lot: 21.12 Block: 406
Address: 40 CORNERSTONE LANE
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: February 28, 1994

Deed Amount: \$128,513.44

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

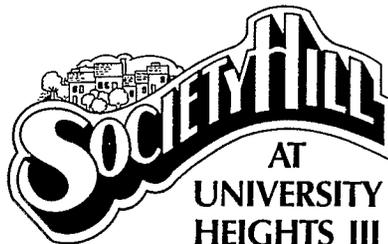
Please change your account records immediately to reflect the above.

Very truly yours,

Sharon H. Ferguson
SHARON H. FERGUSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033513



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FERGUSON
Lot: 21.12 Block: 406
Address: 40 CORNERSTONE LANE
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: February 28, 1994

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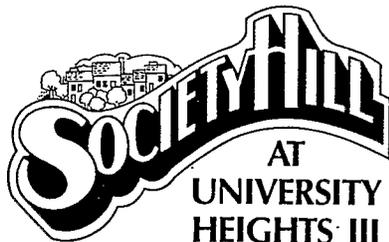
Please change your account records immediately to reflect the above.

Very truly yours,

SHARON H. FERGUSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033514

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND SHARON H. FERGUSON, UNMARRIED

the GRANTEE

about to reside at 40 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$128,513.44
ONE HUNDRED TWENTY EIGHT THOUSAND FIVE HUNDRED THIRTEEN AND 44/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. L, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

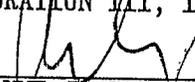
Being also known as Lot No. 21.12, in Block No. 406, on the tax map of the City of Newark.

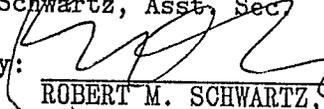
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

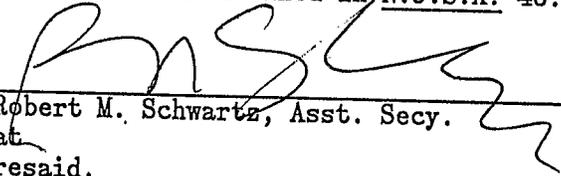
BY: 
WAYNE J. SOOJYAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

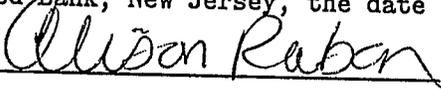
KHOV033533

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 128,513.44.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE SHARON H. FERGUSON _____ GRANTEE _____

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber SHARON H. FERGUSON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
SHARON H. FERGUSON

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV033534

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Maeker Sharkey & MacDean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A *	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	CLAIMS MADE OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
OTHER	A Bikt Bldg. & Ents	BC02900238	1/01/94	1/01/95	\$11,475,000.
	A Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DW 2/10/94
**CERTIFIED TO BE
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED
LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER A Bldg. & Cnts A Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED
LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

KHOV033554

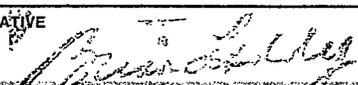
CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED; NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
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					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND <input type="checkbox"/> EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	<input type="checkbox"/> OTHER Bldg. & Cnts Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000
					BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED
LDC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (211) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE:

010036000

KHOV033555



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Shankey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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					FIRE DAMAGE (Any one fire) \$ 50000
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	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
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					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-EACH EMPLOYEE \$
A	<input checked="" type="checkbox"/> Bldg. & Cnts <input checked="" type="checkbox"/> Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
					BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED
LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

AW

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.
- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharon A. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE SOOJAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033566

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1211.75
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,336.69
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-20-93
DATE

X Sharon A. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033567

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Sharon Ferguson

_____, Buyer.

UNIT: L BLDG. 21

PURCHASE AGREEMENT DATED: 12-6-93

- (1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$ 3200.00
- (2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

[Signature]

DATE 12-13-93

"BUYER"

X Sharon H. Ferguson

WITNESS AS TO SIGNATURES OF ALL BUYERS:

Joseph J. [Signature]

KHOV033568

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Ilocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY E. ORANGE NJ 07017

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 21.12 BLDG NO.: 21 UNIT NO: L MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00 Consisting of: BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-DEC-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-DEC-1993 ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 05-JAN-1994 BALANCE at CLOSING \$119,261.50 PAID by CERTIFIED CHECK Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04-FEB-1994 Estimated COMPLETION DATE: 14-FEB-1993 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc. (SELLER) 12.10.93 DATE

X Sharon Ferg - 12/6/93 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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25. AFFORDABLE UNITS	4
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.
- If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6 day of Dec, 1993.

Buyer: X Sharon Figs - 12/6/93

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Sharon Figs - 12/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 12-10-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033575

THIS INDENTURE
(Site C and E)

Dated AUGUST 31, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ROXANNA M. SCOTT, MARRIED

the GRANTEE

about to reside at 51 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$133,413.44 ONE HUNDRED THIRTY-THREE THOUSAND FOUR HUNDRED THIRTEEN AND 44/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

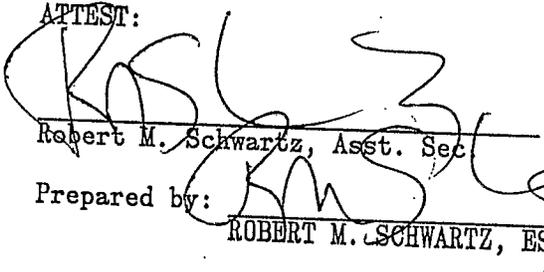
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

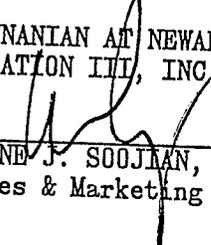

Robert M. Schwartz, Asst. Sec

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

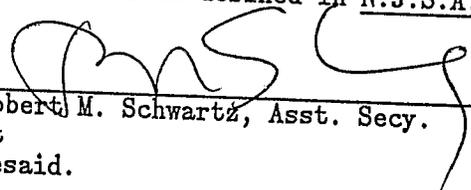
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

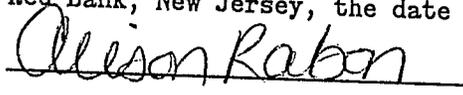
KHOV033600

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On AUGUST 31, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 133,413.44.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31ST day of AUGUST, 1993.

GRANTEE ROXANNA M. SCOTT GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31ST day of AUGUST, 1993, before me, the subscriber ROXANNA M. SCOTT, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ROXANNA M. SCOTT

CHARGE, RECORD AND RETURN TO JOSEPH J. TALAFOUS, ESQUIRE
924 BERGEN AVENUE, JERSEY CITY, N.J. 07306

KHOV033601

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** **St. Paul Fire & Marine**
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED **Fidelity Limit:** \$100,000.
LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

KHOV033611

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
 ITS SUCCESSORS AND/OR ASSIGNS
 P.O. BOX 8111
 VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

CERTIFIED TO BE A TRUE COPY

AUTHORIZED REPRESENTATIVE

Brian Leddy

010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank,
NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED Fidelity Limit: \$100,000.
 LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV033617

010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED

Fidelity Limit: \$100,000.

LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV033618

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: A

The Purchase Agreement between Reanna M. Scott BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/29/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 134,968.44
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 4049.05
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 130,919.39
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 130,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 133,413.44.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/29/93
DATE

Reanna Scott
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033630

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: R.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.01
BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 29-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 29-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 28-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached

R. Hovnanian at Newark - (BUYER) DATE
Urban Renewal Corporation III, Inc. (BUYER) DATE
(W) (SELLER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033631



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 29th day of May, 1993.

Buyer: [Signature]

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

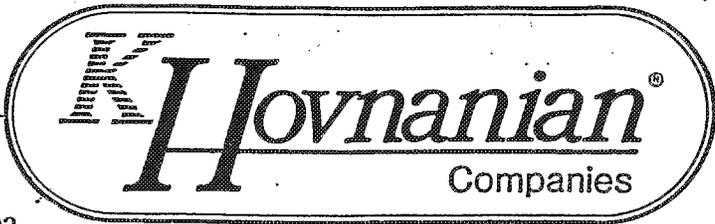
[Signature] 5/29/93
BUYER _____ DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE

BY: [Signature] 6.11.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033635



October 1, 1992

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. Hovnanian at Newark
Urban Renewal Corporation
III, Inc.

To: PENALOZA & LUGARDO
Lot: 21.02 Block: 406
Address: 53 YANCY DRIVE
NEWARK, NJ 07103
Closing date: 2-26-93

DEED AMT: 119,404.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

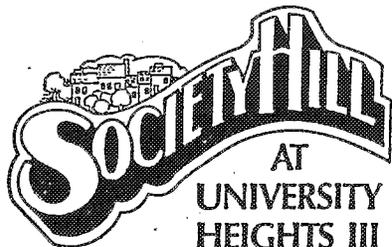
Very truly yours,

Lucy N. Penalzo
Buyer

Jose Lugarido
Buyer

K. HOVNANIAN OF NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033638

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LUCY N. PENALOZA, UNMARRIED AND JOSE E. LUGARDO, UNMARRIED
the GRANTEE

about to reside at 53 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,404.67 ONE HUNDRED NINETEEN THOUSAND FOUR HUNDRED FOUR AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

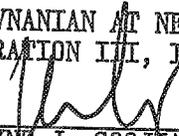
Being also known as Lot No. 21.02, in Block No. 406, on the tax map of the City of Newark.

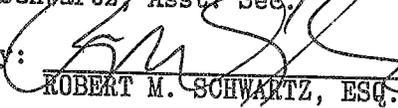
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

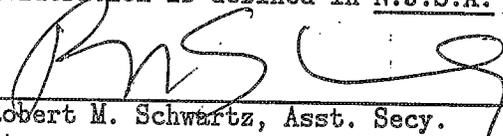
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

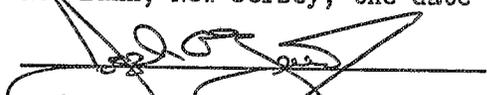
KHOV033658

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26th, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to, the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,404.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMATIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10-Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26th day of FEBRUARY, 1993.

GRANTEE LUCY N. PENALOZA GRANTEE JOSE E. LUGARDO

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26th day of FEBRUARY, 1993, before me, the subscriber LUCY N. PENALOZA AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

JOSE E. LUGARDO

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
LUCY N. PENALOZA AND JOSE E. LUGARDO

CHARGE, RECORD AND RETURN TO AMILKAR VELEZ-LOPEZ, ESQUIRE
208 BLOOMFIELD AVENUE, NEWARK, NJ 07021

KHOV033659

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
 CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
 DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
 POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
 COMPANY LETTER **B**
 COMPANY LETTER **C**
 COMPANY LETTER **D**
 COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
 INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
 CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
 EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY BINDER <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.		1/01/93	1/01/94	GENERAL AGGREGATE \$ 200000 PRODUCTS-COMP/OP AGG. \$ 100000 PERSONAL & ADV. INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents BINDER		1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY
[Signature]

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LUCY N. PENALOZA, UNMARRIED AND JOSE E. LUCARDO, UNMARRIED Fidelity Limit \$100,000.
 LOC: 53 YANCY DRIVE, NEWARK, NJ 07103 (21B) LOT: 21.02 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION
 AND/OR ITS ASSIGNS
 80 MAIN STREET
 WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

ACORD 25-S (7/90)

KHOV033668

ACORD CORPORATION-1990

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Judy N. Peralora

Jose E. Fugardo

Buyer.

UNIT B, BLDG. 21

PURCHASE AGREEMENT DATED: 9/30/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 121,569.67

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____

\$ 5619.67

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ 168.59 due on 11/10/93

Total deposit \$ 1168.59

Balance due at closing
(cash of certified check) \$ 120,401.08

Total Purchase Price \$ 121,569.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 117,900.00

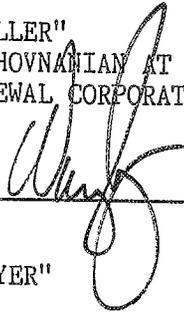
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033685

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"
K. HOVNATIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE Jan. 10, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sue Weems

x Lucy N. Pinaloja

x Jose Sugarcia

FORMS DS/PR/INCE
2/12/90

KHOV033686

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): LUCY N PENALOZA (W) of PO BOX 20154
 Tel: Res: (201) 623-6943 NEWARK
 Bus: (212) 662-1901 NJ ,07101.

JOSE E LUGARDO (W) of PO BOX 20154
 Tel: Res: (201) 623-6943 NEWARK
 Bus: (215) 867-7600 NJ ,07101.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL GUNIVERSITY HEIGHTS III
 NEWARK, NEW JERSEY.
 BLOCK NO: 206 LOT NO: 21.02
 BLDG NO.: 21 UNIT NO: B MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
 Consisting of:
 BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-SEP-1992
	ADDITIONAL DEPOSIT	\$ 2,478.50	BY DATE	30-OCT-1992
	BALANCE at CLOSING	\$112,471.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1992
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

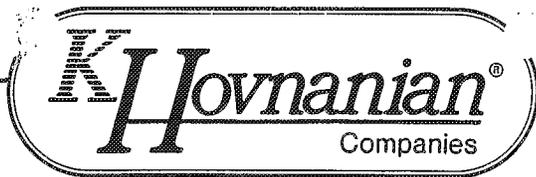
PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.	<i>[Signature]</i>	Lucy N. Penalza	9-30-92
	(SELLER)	(BUYER)	DATE
	10.2.92	Jose Lugardo	9-30-92
	(BUYER)	(BUYER)	DATE
		(BUYER)	DATE
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows; R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of September, 1992.

Buyer: Lucy N. Ponzalza

Lisa M. Weems

Buyer: Jose Suarda

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

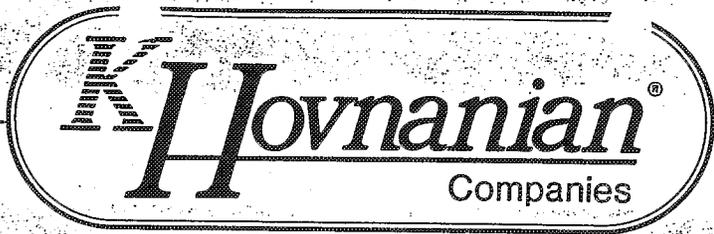
Buyer: Lucy N. Ponzalza 9-30-92
DATE

Buyer: Jose Suarda 9-30-92
DATE

Wayne Soojian
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

10.2.92
DATE

KHOV033691



February 26, 1993

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CLEMONS
Lot: 21.03 Block: 406
Address: 55 Yancy Drive
Newark, NJ 07103

Closing date: 2/26/93
Deed Amount: 140,700.79

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Link Clemens
Buyer

Ossie Clemens
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033696

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LINK CLEMONS AND OSSIE CLEMONS, H/W

the GRANTEE

about to reside at 55 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$140,700.79 ONE HUNDRED FORTY THOUSAND SEVEN HUNDRED AND 79/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

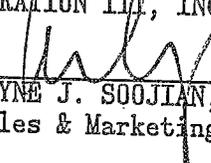
Being also known as Lot No. 21.03, in Block No. 406, on the tax map of the City of Newark.

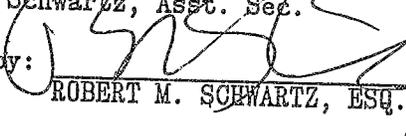
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

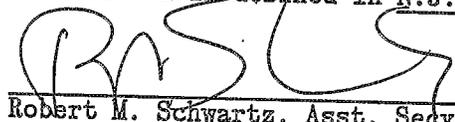
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV033708

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 140,700.79.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 19 93

GRANTEE LINK CLEMONS GRANTEE OSSIE CLEMONS

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93 before me, the subscriber LINK CLEMONS AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* OSSIE CLEMONS

§ NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
LINK CLEMONS AND OSSIE CLEMONS

CHARGE, RECORD AND RETURN TO LISA A. HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, NEWARK, NJ 07102

KHOV033709



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A**

St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LINK CLEMONS AND OSSIE CLEMONS, H/W

LCC: 55 YANCY DRIVE, NEWARK, NJ 07103 (21C) LOT: 21.03 BLOCK: 406

Fidelity Limit \$100,000.

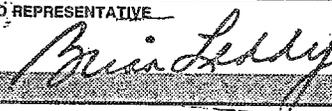
CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE INC., THEIR SUCCESSORS AND ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BUILDING D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

KH0V033719

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Frank Clemons

Ossie Clemons

, Buyer.

UNIT C, BLDG. 21

PURCHASE AGREEMENT DATED: 11/10/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,700.79

Consisting of:

BASE PRICE of MODEL:
and Premiums: \$ 134,950.00

DS Number \$ _____

\$ 5750.79

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3048.50 due on 1/30/93

Additional deposit \$ 172.52 due on 1/30/93

Total deposit \$ 4221.02

Balance due at closing
(cash of certified check) \$ 136,479.77

Total Purchase Price \$ 140,700.79

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033735

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 2.3.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE JAN 30. 93

"BUYER"

x *Linn Clemens*

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Linn Weems

x *Ossie Clemens*

FORMS DS/PR/INCE
2/12/90

KHOV033736

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LINK CLEMONS (P) of 183 HOLLYWOOD AVENUE/2ND FLOOR
 Tel: Res: (201) 676-6550 EAST ORANGE
 Bus: (201) 325-4768 NJ ,07018.

OSSIE CLEMONS (W) of 183 HOLLYWOOD AVENUE/2ND FLOOR
 Tel: Res: (201) 676-6550 EAST ORANGE
 Bus: (908) 298-3008 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 21.03
 BLDG NO.: 21 , UNIT NO: C , MODEL: TPFGL800-BB

The PURCHASE PRICE : \$134,950.00
 Consisting of:
 BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-JAN-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-JAN-1993
 ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 15-FEB-1993
 BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$128,200.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993
 Estimated COMPLETION DATE: 14-FEB-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
 Urban Renewal Corporation III, Inc.

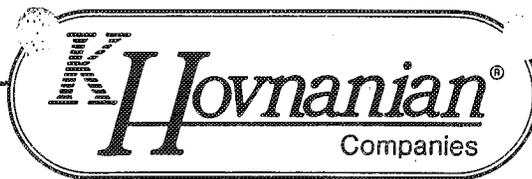
[Signature]
 (SELLER) DATE: 1-19-93

* *[Signature]* 1-16-93
 (BUYER) DATE
 * *[Signature]* 1-16-93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033737



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor, designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 16th day of January, 1993.

Buyer: Link Clemons

Lisa M. Weems

Buyer: Possie Clemons

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Link Clemons 1-16-93
BUYER DATE

Possie Clemons 1-16-93
BUYER DATE

BY: Wayne Soojian 1-15-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV033741

K Hovnanian[®]

Companies

January 26, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LACRUISE
Lot: 21.04 Block: 406
Address: 57 Yancy Drive
Newark, NJ 07103

Closing date: SEPTEMBER 30, 1993
Deed Amount: \$138,942.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033747



January 26, 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LACRUISE
Lot: 21.04 Block: 406
Address: 57 Yancy Drive
Newark, NJ 07103

Closing date: SEPTEMBER 30, 1993
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Gentlemen:

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took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

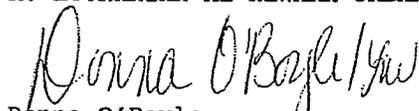
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



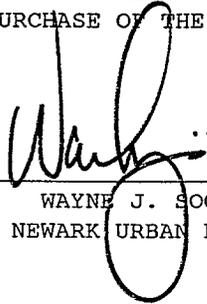
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033748

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

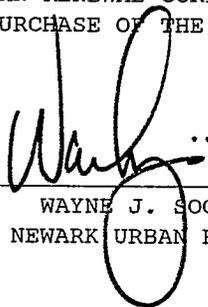
ARNOLD J. LACRUISE

KHOV033752

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

ARNOLD J. LACRUISE

KHOV033776

T H I S I N D E N T U R E

Dated SEPTEMBER 30, 1993 (Site C and E)

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ARNOLD J. LACRUISE, UNMARRIED

the GRANTEE

about to reside at 57 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$138,942.98 ONE HUNDRED THIRTY EIGHT THOUSAND NINE HUNDRED FOURTY TWO AND 98/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

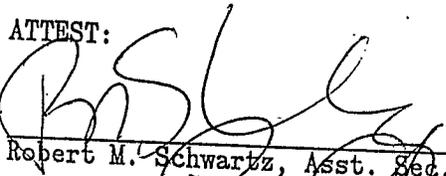
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

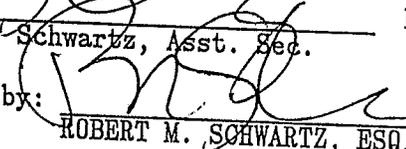
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.04, in Block No. 406, on the tax map of the City of Newark.

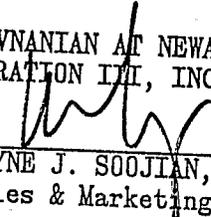
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

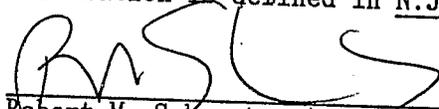
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

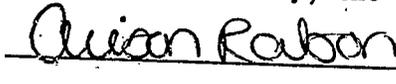
KHOV033778

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On SEPTEMBER 30, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 138,942.98.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


Alison Rabon

ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of SEPTEMBER, 19 93.

GRANTEE ARNOLD J. LACRUISE GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of SEPTEMBER, 1993, before me, the subscriber ARNOLD J. LACRUISE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ARNOLD J. LACRUISE

CHARGE, RECORD AND RETURN TO BEVERLY G. GISCOMBE, ESQUIRE
60 EVERGREEN PLACE, SUITE 302
EAST ORANGE, NJ 07018

KHOV033779



Enrollment NJ 784632

Lot 21.04

Development Unw. Heights #7

Residential Warranty Corporation
5300 Derry Street, Harrisburg, PA 17111-3598
Phone #: 717-939-1971

LIMITED WARRANTY INSURANCE PROGRAM

INSURER: WESTERN PACIFIC MUTUAL INSURANCE COMPANY, A RISK RETENTION GROUP

LIMITED WARRANTY AGREEMENT

CLAIMS PROCEDURES

APPROVED STANDARDS

LIABILITY UNDER THIS LIMITED WARRANTY IS LIMITED TO THE FINAL SALES PRICE LISTED ON THE ENROLLMENT FORM.

THE BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ATTACHED SALES CONTRACT OR THE ENROLLED HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY.

PLEASE NOTE:

THE MATCHING NUMBERED ENROLLMENT FORM IS AN INTEGRAL PART OF THIS LIMITED WARRANTY.

FHA/HUD Financed Homes — see NJ HUD Addendum pg. 24

KHOV033789

WPIC #317
Rev. 9/92



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeke Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A****St. Paul Fire & Marine**COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE X OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
					COMBINED SINGLE LIMIT \$
	AUTOMOBILE LIABILITY				BODILY INJURY (Per person) \$
	ANY AUTO				BODILY INJURY (Per accident) \$
	ALL OWNED AUTOS				PROPERTY DAMAGE \$
	SCHEDULED AUTOS				EACH OCCURRENCE \$
	EXCESS LIABILITY				AGGREGATE \$
	UMBRELLA FORM				STATUTORY LIMITS
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE A TRUE COPY
DW 8/19/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Bevin Ledy

010036000

KH0V033791

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeke Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED Fidelity Limit: \$100,000.
LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV033797



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

[]

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
					PRODUCTS-COMP/OP AGG. \$ 1000000
					PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: D

The Purchase Agreement between ARNOLD J. LACRUISE BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/20/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 138,992.98
- 2. THE DEPOSITS ~~REQUIRED~~ ^{paid (or)} ARE INCREASED TO \$ 1,130.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 137,812.98
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 137,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 138,992.98.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

June 1 1993
DATE

Arnold LaCruse
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033812

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

ARNOLD J. LACROISE

_____, Buyer.

UNIT D, BLDG. 21

PURCHASE AGREEMENT DATED: 1/25/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 138,942.98

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 3992.98
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ V/A due on _____
Additional deposit \$ 119.79 due on 4/20/93
Total deposit \$ 1,119.79
Balance due at closing
(cash of certified check) \$ 137,823.19
Total Purchase Price \$ 138,942.98

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 137,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/26/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033815

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.23.03

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

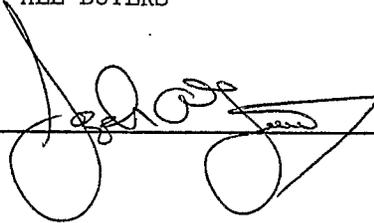


Wayne Soojian

DATE 4/20/03

"BUYER"


WITNESS AS TO SIGNATURE
OF ALL BUYERS



FORMS DS/PR/INCE
02/12/90

KHOV033816

SUMMARY OF BASIC PROVISIONS
=====

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACRUISE (u) of P.O. BOX 1069
Tel: Res: (201) 675-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ ,07019.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.04
BLDG NO.: 21 , UNIT NO: D , MODEL: TPF61800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	25-JAN-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	25-JAN-1993
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	24-FEB-1993
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK

	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 26-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

=====

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
Wally 1-28-93

(SELLER) DATE

Arnold J. Cruse 1/25/93

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KH0V033817

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.
- If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25 day of January, 1993.

Buyer: *Arnold J. Pucci*

Joseph A. Zemaitis, Jr.

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Arnold J. Pucci 1/25/93
BUYER DATE

BUYER DATE

BY: *Wayne Soojian* 1-28-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033821



February , 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BEAUFORD
Lot: 21.05 Block: 406
Address: -59 Yancy Drive
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Closing date: 2/27/93
Deed Amount: 119,885.34

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

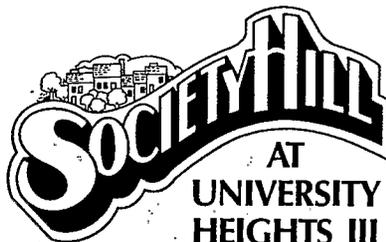
Patrick X. Beauford
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle

Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033825

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 27, 1993

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND PATRICK X. BEAUFORD, ESQUIRE

the GRANTEE

about to reside at 59 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,885.34 ONE HUNDRED NINETEEN THOUSAND EIGHT HUNDRED EIGHTY FIVE AND 34/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

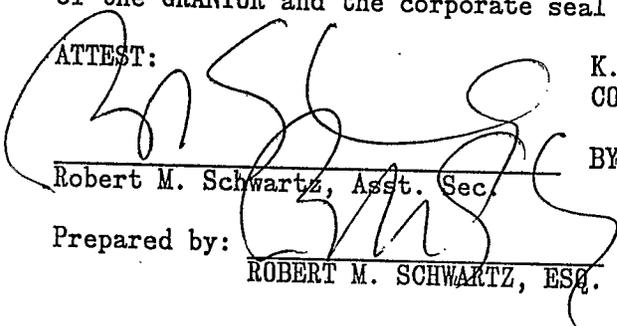
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

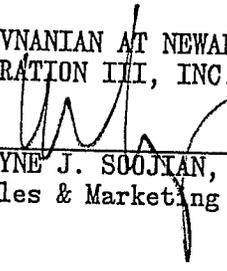

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

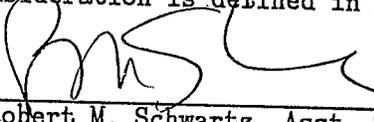
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV033841

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 27, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,885.34.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27 day of FEBRUARY 19 93

GRANTEE PATRICK X. BEAUFORD GRANTEE _____

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 27 day of FEBRUARY, 19 93 before me, the subscriber PATRICK X. BEAUFORD, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

§ NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
PATRICK X. BEAUFORD

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, 07960

KHOV033842

**AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)**

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Patrick X Beauford

_____, Buyer.

UNIT E, BLDG. 21

PURCHASE AGREEMENT DATED: 9/26/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 119,885.34

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>3,935.34</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,478.50</u>	due on <u>1/2/93</u>
Additional deposit	\$ <u>118.06</u>	due on <u>1/2/93</u>
Total deposit	\$ <u>3,596.56</u>	
Balance due at closing (cash of certified check)	\$ <u>116,288.78</u>	
Total Purchase Price	\$ <u>119,885.34</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 116,250.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 9/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten Signature]

DATE 1 / 2 / 93

"BUYER"

x Patrick x Beauford

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sara Weems

FORMS DS/PR/INCE
2/12/90

KHOV033873

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): PATRICK X BEAUFORD (u) of 451 COLUMBIA STREET
Tel: Res: (718) 596-1322 BROOKLYN
Bus: () - NY ,11231.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.05
BLDG NO.: 21 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 26-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-SEP-1992
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 26-OCT-1992
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) DATE 9.30.92

x Patrick Beauford 9/26/92
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033874



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

LISA M. WEEMS

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 13, 1994

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 26th day of September, 1992.

Buyer: Patrick Beauford

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patrick Beauford 9-26-92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: _____ DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A1

The Purchase Agreement between Gaetana Marshall BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-12-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,972.97
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,090.69
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,882.28
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 104,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,972.97.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

Gaetana Marshall
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIA
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033884

WZE

ROMANIAN ENCLAVE-URB RENEWAL CORP III

U.S.No : W-22-A1

PROJECT : W - SOCIETY HILL & UNIT. HEIGHTS III EYE

Printed: 14-DEC-1993

BLOS NO: 02 UNIT: 01
MODEL : 5141330-B

*** DELUXE SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MARSHALL

COMPACT DATE: 12-09-1993

SECTION NO	DESCRIPTION	MODEL	SIZE	COLORS	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	699.00	ALMOND		340.00 CH
AK500	RANGE HOOD	STANDARD RANGE HOOD	0.00	ALMOND		0.00 CH
AK500	RANGE	STANDARD RANGE	0.00	ALMOND		0.00 CH
02---CABINETS---						
KUC01	KITCHEN CABINETS	NATURAL LITE				591.00 CH
KTS00	KITCHEN COUNTERTOP	STANDARD COUNTERTOP		4821-B	WHITE NEOLIA	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ATLANTA	46	60.0 SQ	5749	DIAMOND DUST F00101A03
Zone: 02	1ST FLOOR STAIRS CARPETING	ATLANTA		75.0 SQ	5749	DIAMOND DUST F00102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	LEASTAR		17.87 SQ	64615	F00103A02
Package includes UPGRADE Padding in carpeted areas						
FL001	FLOORING PACKAGES -- STANDARD LAYERS					3092.97 CH
04---SELECTIONS: INTERIOR---						
MS01	STOOD DOORS	UP, 1 1/2" STD BIFOLD	5 1/2" BIFOLD	3'0"		0.00 CH
MS02	BIFOLD DOORS	1 1/2" BIFOLD STD BIFOLD	5 1/2" BIFOLD	3'0"		0.00 CH
MS03	SLIDER DOORS	5/8" STD BIFOLD	5 1/2" SLIDER	4'0"		0.00 CH
MS01	SLIDER DOORS	5/8" STD BIFOLD	5 1/2" SLIDER	3'0"		150.00 CH

Please check this form for correct descriptions, including color, steel numbers & details. All selections must be complete and must be considered final. Options and upgrades are to be paid for with a maximum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X *Suzanna Marshall*
 PURCHASE DATE: 12-14-93
 SALES REP: *Suzanna Marshall*
 SALES REP: *Suzanna Marshall*
 CONST. REF: 12-16-93

GRAND TOTAL	\$	3022.97
Incl. Mortg. Sel	\$	3022.97
AMOUNT DUE NOW	\$	90.69
AMOUNT PAID NOW	\$	90.69
AMOUNT DUE AT CLOS	\$	2932.28

KHOV033885

XYZ

K.ROMANIAN ONEBARK-URB RENEWAL CORP III
PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

D.S.No : IW-22-A1
Printed: 14-DEC-1993

BLDG NO: 22 UNIT: A1
MODEL : STH1330-G XLO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MARSHALL
CONTRACT DATE: 12-dec-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND	ALMOND	340.00 <M
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 <M
ARS00	RANGE	STANDARD RANGE	JGRC156E	ALMOND	ALMOND	0.00 <M
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				500.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4521-8	WHITE NEBULA	0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	60.0 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	78.0 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	STAPSTEP		17.67 SY	64615	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
4FS01	FLOORING PACKAGES -- STANDARD LAYOUT					2032.97 <M
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <M
MSU01	SLIDER DOORS	MSYR BR #1-SLIDER	#1-SLIDER	3'0"		150.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *X Patricia Marshall*
PURCHASER : _____
DATE : *12-14-93*
SALES REP : *J. J. J.*
SALES MGR : _____
CONST. MGR : _____

GRAND TOTAL \$ 3022.97
incl. Mortg. Sel \$ 3022.97
AMOUNT DUE NOW \$ 90.69
AMOUNT PAID NOW \$ 90.69 *CK*
AMOUNT DUE AT CLOS \$ 2932.28

90.69
X Patricia Marshall

KHOV033886

K. ROMANIAN CREMARK-URB BENEVAL CORP III
 PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III E&C

D.S.No : IV-22-A1
 Printed: 14-Dec-1993

BIDS NO: 22 UNIT: A1
 MODEL : S1R1330-G ALO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MARSHALL
 CONTRACT DATE: 12-dec-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	650500	ALMOND	ALMOND	340.00 <N
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JH322	ALMOND	ALMOND	0.00 <N
AKS00	RANGE	STANDARD RANGE	JGR156E	ALMOND	ALMOND	0.00 <N
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				500.00 <N
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-8	WHITE REBOLA	0.00 <N
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBERIA	46	60.0 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBERIA	46	78.0 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	STARSTEP		17.67 SY	64615	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
AFS01	FLOORING PACKAGES -- STANDARD LAYOUT					2032.97 <N
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	OR. LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <N
MS02	BIFOLD DOORS	DR. RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <N
MS03	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <N
MS01	SLIDER DOORS	DRR BR #1-SLIDER	#1-SLIDER	3'0"		150.00 <N

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *X. J. Marshall*
 PURCHASER:
 DATE: *D-11-93*
 SALES REP: *J. J. [Signature]*
 SALES REP:
 CUNSY. REP: *[Signature]*

GRAND TOTAL \$ 3032.97
 Incl. Mortg. Sel \$ 3032.97
 AMOUNT DUE NOW \$ 90.69
 AMOUNT PAID NOW \$ 90.69
 AMOUNT DUE AT CLOS \$ 2942.28

90.69
X. J. Marshall

KHOV033887

K. PETERSON & COMPANY - THE CENTRAL CORP. LLC
 PROJECT : 10 - SOCIETY HILL C UNIT, HEIGHTS III ESC

U.S. NO: 14-03-A1
 Printed: 14-DEC-1993

BLDG NO: 02 UNIT: 01
 MODEL : 514139-0 10

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MARSHALL
 CONTRACT DATE: 12-DEC-1993

DESCRIPTION	QUANTITY	UNIT	MODEL	SIZE	COLOR	COMMENTS	PRICE
01 - APPLIANCES							
AB001	1	DISHWASHER	1ST LEVEL 3 CYCLE	000500	ALMOND	ALMOND	345.00 CH
AB500	1	RANGE HOOD	STANDARD RANGE HOOD	00322	ALMOND	ALMOND	0.00 CH
AB501	1	RANGE	STANDARD RANGE	000156E	ALMOND	ALMOND	0.00 CH
02 - CABINETS							
KB001	1	KITCHEN CABINETS	NATURAL LEX				500.00 CH
KY500	1	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-0	WHITE PEBBLE	0.00 CH
03 - FLOORING							
Zone: 01	280	FLOOR CARPETING	ASPH/TA	36	69.0 SY	8749	DIAMOND BUST FCC0101A00
Zone: 02	1ST FLOOR STAIRS/HALL	CARPETING	ASPH/TA	36	70.0 SY	8749	DIAMOND BUST FCC0102A00
Zone: 03	PITCHED/ENTRY	KINGDOM FLOORING	TARGET		17.67 SY	64015	FCC0103A00
Package includes UPGRADE Padding in carpeted areas							
MS001	1	FLOORING PACKAGES	STANDARD LAYOUT				2032.97 CH
04 - SELECTIONS: EXTERIOR							
MS001	1	WINDO DOORS	OP. LEFT 5/8 WINDO	5/8 WINDO	3'0"		0.00 CH
MS002	1	WINDO DOORS	OP. RIGHT 5/8 WINDO	5/8 WINDO	3'0"		0.00 CH
MS003	1	SLIDER DOORS	OP. 3/4 STD SLIDER	3/4 SLIDER	4'0"		0.00 CH
MS004	1	SLIDER DOORS	OP. 1/4 SLIDER	1/4 SLIDER	3'0"		150.00 CH

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>X Marshall</i>	GRAND TOTAL	\$	3022.97
PURCHASER:	Incl. Mortg. Sel #	\$	3022.97
DATE: <i>12-11-93</i>			
SALES REP: <i>J. Hanley</i>	AMOUNT DUE NOW	\$	90.69
SALES MGR: <i>[Signature]</i>	AMOUNT PAID NOW	\$	90.69 "CK"
CONSTR. MGR: <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	2932.28

90.69
X Marshall

KHOV033888

K. ROSSIGNOL APPOINTMENT AND FURNITURE COOP. INC.
 PROJECT : 10 - SOLIDLY BUILT 1 UNIT, NEIGHBOR 111 ONE

DATE : 10-23-71
 Printed: 14-DEC-1983

PLANS NO: 43 QUOTE NO:
 MODEL : 511130-4 110

ALL APPOINTMENT SELECTIONS, OPTIONS & UPGRADES 41A

ORDER : 1000000
 CONTRACT DATE: 11-DEC-1971

DESCRIPTION	MODEL	SIZE	COLOR	QUANTITY	PRICE
01 - FLOORING					
0101 1ST FLOOR	STANDARD	30.00	ALABAMA		346.00
0102 2ND FLOOR	STANDARD	30.00	ALABAMA		346.00
0103 3RD FLOOR	STANDARD	30.00	ALABAMA		346.00
02 - CABINETS					
0201 KITCHEN CABINETS	NATURAL	10.00			500.00
0202 KITCHEN COUNTERTOP	STANDARD	10.00	WHITE		9.00
03 - CEILING					
0301 1ST FLOOR	STANDARD	30.00	DIAMOND		150.00
0302 2ND FLOOR	STANDARD	30.00	DIAMOND		150.00
0303 3RD FLOOR	STANDARD	30.00	DIAMOND		150.00
04 - SELECTIONS: INTERIOR					
0401 1ST FLOOR	STANDARD	30.00			150.00
0402 2ND FLOOR	STANDARD	30.00			150.00
0403 3RD FLOOR	STANDARD	30.00			150.00

Please check this row for correct descriptions, including color, model numbers & details. All selections must be complete and must be specified final. Options and upgrades will be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>X</i>	GRAND TOTAL	\$	3012.97
PURCHASER: <i>X</i>	Incl. mortg. Sel	\$	3022.97
DATE: 12-11-73	AMOUNT DUE NOW	\$	50.00
SALES REP: <i>[Signature]</i>	AMOUNT PAID NOW	\$	50.00
DATE: 12-11-73	AMOUNT DUE AT CLOS	\$	3012.97

KHOV033889

002

ILLINOISIAN COUNSTRUCTION RENEWAL CORP. ILL
PROJECT: 10 - 20011 916 0 0000. HEIGHTS III EDC

D.S.No: 10-20-21
Printed: 14-DEC-1993

BLDG NO: 10 UNIT: 21
MODEL: 101330 9 102

AAA QUALITY SELECTIONS, FINISHES & UPGRADES AAA

OWNER: MARSHALL
COMPACT DATE: 10-1-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	QTY	UNIT PRICE	EXT	
01 ---APPLIANCES---								
AP001	DISHWASHER	1ST LEVEL 1 SINK	500.00	ALMOND	ALMOND		34.00	
AP000	RANGE HOOD	STANDARD RANGE HOOD	250.00	ALMOND	ALMOND		0.00	
AP000	RANGE	STANDARD RANGE	400.00	ALMOND	ALMOND		0.00	
02 ---CABINETS---								
KC001	KITCHEN CABINETS	NATURAL LITE					501.00	
KC000	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-9	WHITE NEPULA		0.00	
03 ---FLOORING---								
Zone: 01	1ST FLOOR	CARPETING	AMERICA	40	60.0 SQ	3/49	DIAMOND DUST	
Zone: 02	1ST FLOOR STAIRS - ALL	CARPETING	AMERICA	73.0 SQ	6749		DIAMOND DUST	
Zone: 03	KITCHEN/ENTRY	LINOLEUM FLOORING	STARSTEP	17.07 SQ	64615		FLO010112	
Package includes UPGRADE Padding in carpeted areas								
FP001	FLOORING PACKAGES -- STANDARD LAYOUT							1032.97
04 ---SELECTIONS: INTERIOR---								
MS001	BIFOLD DOORS	WR, LEFT SID BIFOLD	110 BIFOLD	3'6"			1.00	
MS002	BIFOLD DOORS	DR, RIGHT SID BIFOLD	110 BIFOLD	3'6"			0.00	
MS002	SLIDER DOORS	WR, 1/2 SID SLIDER	210 SLIDER	4'6"			0.00	
MS001	SLIDER DOORS	MSZR BR 1/2 SID SLIDER	210 SLIDER	3'6"			150.00	

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X Darciana Marshall
 PURCHASER: _____
 DATE: 12-14-93
 SALES REP: J. Stanley
 SALES REP: Duncan Gibson
 CONST. REP: _____

GRAND TOTAL 4 1032.97
 Incl. Mortg. Sel 4 3022.97
 AMOUNT DUE NOW 1 90.69
 AMOUNT PAID NOW 1 90.69
 AMOUNT DUE AT CLOS 1 3032.38

90.69
 X Darciana Marshall

KHOV033891

Handwritten initials

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): GAETANA MARSHALL (M) of 265 PROSPECT PL.
Tel: Res: (718) 622-5603 BROOKLYN
Bus: (212) 941-5105 NY ,11238.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.01
BLDG NO.: 22 , UNIT NO: A1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 12-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 12-DEC-1993
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 11-JAN-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK

Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$105,200.00 MORTGAGE CONTINGENCY DATE: 10-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-VEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

X Gaetana Marshall 12/14/93
(BUYER) DATE

by
12.20.93
(SELLER) DATE

(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERSEED AND TERMINATE THE PREVIOUS CONTRACT FOR 22A1, DATED 12-12-93.

KHOV033905



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges required by mortgagee.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and at the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. **TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant As To Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months of the annual maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within ten (10) business days of Seller's receipt of Buyer's notice of cancellation. When the Buyer has received this paragraph 14. When the buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE—LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's

KHOV033907

rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted within three (3) days prior to closing. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk-through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the State of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment, containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For the purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentation as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in writing on or before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE

KHOV033908

MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn, cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the Insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; R-5/rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 89 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller review and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproved of this contract, the attorney must notify the Broker(s) and the other party named in this contract within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's office. The attorney should also inform the Broker(s) of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced herein (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14 day of Dec, 1993.
Joseph J. Hanley Buyer:
Buyer: X Saetana Marshall

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.
BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Saetana Marshall BUYER
12/14/93 DATE
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER KHOV033909 DATE 12-20-93
BY: Wayne J. Soojian DATE
DIRECTOR OF MARKETING & SALES

S U M M A R Y O F B A S I C P R O V I S I O N S

1015

The SELLER: K.HOVNANTAN @NEWARK URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701

The BUYER(S): GAETANA MARSHALL (M) of 265 PROSPECT PL.
 Tel: Res: (718) 622 5603 BROOKLYN
 Bus: (212) 941 5105 NY , 11238.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS 111 E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 LOT NO: 22.01
 BLDG NO.: 22 UNIT NO: A1 MODEL: STH1330-G LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL. \$103,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$ 0.00	ON DATE	12-DEC-1993
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	12-DEC-1993
ADDITIONAL DEPOSIT	\$ 2,118.50	BY DATE	11-JAN-1994
BALANCE at CLOSING	\$100,831.50	PAID by CERTIFIED CHECK	
Total PAYMENT	\$103,950.00		

MORTGAGE AMOUNT : \$105,200.00 MORTGAGE CONTINGENCY DATE: 10-FEB 1994
 Estimated COMPLETION DATE: 15-FEB 1994
 DY-MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
 Urban Renewal Corporation III, Inc.

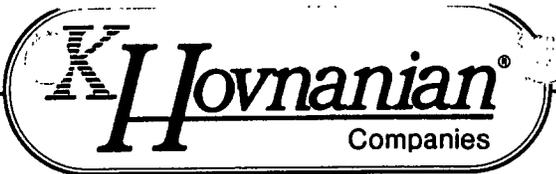
X Gaetana Marshall 12/14/93
 (BUYER) DATE

_____ (SELLER)	_____ DATE	_____ (BUYER)	_____ DATE
_____ (BUYER)	_____ DATE	_____ (BUYER)	_____ DATE
_____ (BUYER)	_____ DATE	_____ (BUYER)	_____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

THIS CONTRACT WILL SUPERSEED AND TERMINATE THE PREVIOUS CONTRACT FOR 22A1, DATED 12-12-93.



OK

SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800

The BUYER(S): Gaetana Marshall of 265 Prospect Pl., Brooklyn, NY, 11238. Telephone: (718)-622-5603 (Res.) (212) 941-5105 (Work) ZIP _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.
 The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ
 BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$ 103,950 .00
 Consisting of:
 BASE PRICE of MODEL: \$ 103,950 .00
 and Premiums:
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____

The PAYMENT TERMS: INITIAL DEPOSIT \$ _____, 00 .00 ON DATE 1 / 12 / 19 93
 ON SIGNING CONTRACT \$ 1,000 .00 BY DATE 12 / 12 / 19 93
 ADDITIONAL DEPOSIT \$ 2,638 .25 BY DATE 1 / 12 / 19 94
 and the BALANCE of \$ 100,311 .75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 103,950 .00
 MORTGAGE AMOUNT: \$ 105,200 .00 MORTGAGE CONTINGENCY DATE 1 - 22 19 94
 ESTIMATED COMPLETION DATE 02 - 15 19 94
 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE
 (BUYER) DATE

SELLER DATE (BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required. OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Gaetana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. 10 HIGHWAY 35, P.O. BOX 500 RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE BY: WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033916

FM183525bp



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: 22A1 MODEL NO: 13306

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12-12, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

+ [Signature] 12/12/93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

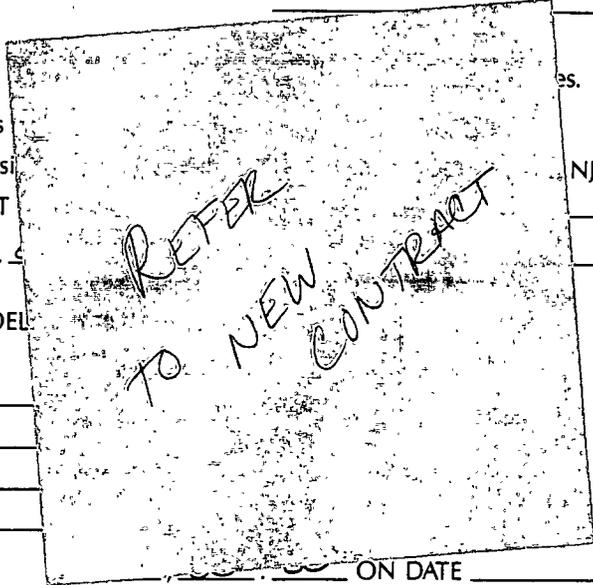
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SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800
The BUYER(S): Gaetana Marshall of 265 Prospect Pl. Brooklyn NY 11238 Telephone: (718)-622-5603 (212) 941-5105 ZIP Res. Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises
The PROPERTY: PROJECT : Society Hill at Univers
BLDG. NO.: 22 UNIT
THE PURCHASE PRICE: \$ 103,950
Consisting of:
BASE PRICE of MODEL
and Premiums:



The PAYMENT TERMS: INITIAL DEPOSIT ON DATE / 19
ON SIGNING CONTRACT \$ 1,000.00 BY DATE 12/12/93
ADDITIONAL DEPOSIT \$ 2,638.25 BY DATE 1/12/94
and the BALANCE of \$ 100,311.75 PAID BY CERTIFIED CHECK
TOTAL PAYMENT \$ 103,950.00
MORTGAGE AMOUNT: \$ 105,200.00 MORTGAGE CONTINGENCY DATE 1-22-94
ESTIMATED COMPLETION DATE 02-15-94
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

[Handwritten signature]

12/13/94

SELLER DATE (BUYER) DATE

KHOV033920

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.

FM18352sbp



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec., 1993.

Buyer: X *Sabrina Marshall*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X *Sabrina Marshall* 12/25/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12-13-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV033924



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993.

Buyer: *Saetana Marshall*

Joseph Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

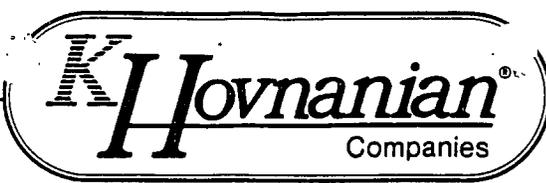
YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Saetana Marshall 12/2/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12/13/93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800
The BUYER(S): Gaetana Marshall of 265 Prospect Pl. Brooklyn NY 11238 Telephone: (718)-622-5603 (212) 941-5105 ZIP 11238

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title. The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$103,950.00 Consisting of: BASE PRICE of MODEL: \$103,950.00 and Premiums:

The PAYMENT TERMS: INITIAL DEPOSIT \$00.00 ON DATE 1/19 ON SIGNING CONTRACT \$1,000.00 BY DATE 12/12/93 ADDITIONAL DEPOSIT \$2,638.25 BY DATE 1/12/94 and the BALANCE of \$100,311.75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$103,950.00 MORTGAGE AMOUNT: \$105,200.00 MORTGAGE CONTINGENCY DATE 1-22 19 94 ESTIMATED COMPLETION DATE 02-15 19 94 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS" - PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/2/93 (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE 12.13.93 (BUYER) DATE KH0V033929 (BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

FM18352abp



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800
The BUYER(S): Gaetana Marshall of 265 Prospect Pl. Brooklyn NY 11238 Telephone: (718)-622-5603 (212) 941-5105 ZIP Res. Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title. The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$103,950.00 Consisting of: BASE PRICE of MODEL: \$103,950.00 and Premiums:

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TOTAL PAYMENT \$103,950.00 MORTGAGE AMOUNT: \$105,200.00 MORTGAGE CONTINGENCY DATE 1-22 19 94 ESTIMATED COMPLETION DATE 02-15 19 94 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached. X Gaetana Marshall 12/12/93 (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE (BUYER) DATE (BUYER) DATE KH0V033930 DATE SELLER DATE (BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993.

Buyer: X *Suzanne Marshall*

Joseph J. Hanley

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X *Suzanne Marshall* 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12-13-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033934



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800
The BUYER(S): Gaetana Marshall of 263 Prospect Pl. Brooklyn NY 11238 Telephone: (718)-622-5603 (212) 941-5105 ZIP Res. Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title. The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$103,950.00 Consisting of: BASE PRICE of MODEL: \$103,950.00 and Premiums:

The PAYMENT TERMS: INITIAL DEPOSIT \$00.00 ON DATE / 19 ON SIGNING CONTRACT \$1,000.00 BY DATE 12/12/93 ADDITIONAL DEPOSIT \$2,638.25 BY DATE 1/12/94 and the BALANCE of \$100,311.75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$103,950.00 MORTGAGE AMOUNT: \$105,200.00 MORTGAGE CONTINGENCY DATE 1-22 1994 ESTIMATED COMPLETION DATE 02-15 1994 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/13/93 (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE

(BUYER) DATE KHOV033935

SELLER DATE (BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993.

Buyer: *Sabrina Marshall*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Sabrina Marshall (12/12/93)
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12-13-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV033939

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A2

The Purchase Agreement between Joanne Foler BUYER(S)

BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 10/31/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,250.72
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,637.52
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,613.20
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 115,188.18
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,090.92.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Joanne Foler
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Scojian
WAYNE SCOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV033942

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

AK

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jeanne J. Toler

_____, BUYER

UNIT A2, BUILDING 22, PURCHASE AGREEMENT DATE 12/31/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jeanne J. Toler 12/31/93
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: [Signature]
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV033943

DATE: 12/15/93
MODEL: 14-01-01

APPL: ELEVATOR SELECTOR, OPTIONS 2 11-00000-007

OWNER: TOLSON
CONTRACT PAID: 01-001-1993

DESCRIPTION	REMARKS	MODEL	SIZE	COLOR	PRICE	QTY	TOTAL
01---APPL. FLOOR---							
AK001	APPL. DISPOSAL	DISPOSAL	360000				190.00
AK002	DISHWASHER	DISHWASHER 4 CYCLE	360040	BLACK	BLACK		455.00
AK003	REFRIGERATOR	SAB 31.7 CU FT 3.43"	1-A2227A	WHITE/SL	WHITE W/ SL		1166.00
AK004	MICROWAVE OVEN	OVER RANGE (ROTOR-VENT)	JW1131	BLACK	BLACK		505.00
AK005	FAN	UPGRADE 3600 CLEAN	3600 DAGE	WHITE	WHITE		560.00
02---CABINETS---							
K1103	KITCHEN CABINETS	WHITE HILL					1075.00
K1500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		BLK &	DESIGNER WHITE		0.00
03---FLOORING---							
Zone: 01	2ND FLOOR CARPETING	SPERIA	46	61.37 SQ FT	8900	CREAMY BEIGE	5520.00
Zone: 02	1ST FLOOR STAIRWAY CARPETING	SPERIA	46	81.50 SQ FT	8900	CREAMY BEIGE	7254.50
Zone: 03	KITCHEN/ENTRY HARDWOOD FLOORING	DESIGNER		17.57 SQ FT	91004	WALNUT	1600.00
Package includes UPGRADE Padding in carpeted areas							
AK001	FLOORING PACKAGES - STAIRWAY LAYOUT						3000.00
04---SELECTIONS: INTERIOR---							
AK002	CEILING LIGHTS	14' 40" W/ 4' 40" H	400000				4000.00
AK003	CEILING LIGHTS	14' 40" W/ 4' 40" H	400000				4000.00
AK004	CEILING LIGHTS	14' 40" W/ 4' 40" H	400000				4000.00
AK005	CEILING LIGHTS	14' 40" W/ 4' 40" H	400000				4000.00
AK006	CEILING LIGHTS	14' 40" W/ 4' 40" H	400000				4000.00

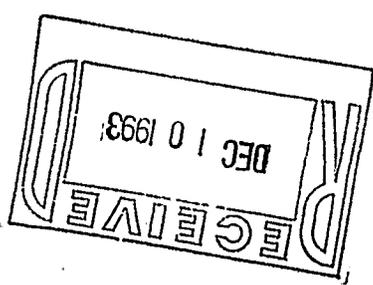
3%

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of \$100 at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *James Tolson*
PURCHASE DATE: *12/15/93*

GRAND TOTAL	\$	11200.72
incl. Mortgage	\$	10140.72
AMOUNT DUE NOW	\$	339.00
AMOUNT PAID NOW	\$	339.02
AMOUNT PAID LESS	\$	10801.70

SALES REP: *Jim Weems*
SALES DATE: *12-9-93*
CLOSING DATE: *12-16-93*



PROJECT : 14 - SOCIETY HILL @ UNIV. HEIGHTS III EXC

Printed: 03-DEC-1993

BUILD NO: 22 UNIT: A2
MODEL : 5TH1330-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : TOLER
CONTRACT DATE: 31-oct-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	WASTE DISPOSAL	DISPOSAL	6CC29F			130.00 CH
ADK02	DISHWASHER	UPGRADE 4 CYCLE	6SD940	BLACK BLACK		485.00 CH
APX06	REFRIGERATOR	SXS 21.7 CF 33.5"	TEX23ZA	21.7 CF	WHIT/BLA WHITE W/ BLACK	1160.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JW6131	BLACK BLACK		505.00 CH
ARU01	RANGE	UPGRADE SELF CLEAN	JGRP34GE	WHITE WHITE		560.00 CH
02---CABINETS---						
KCU03	KITCHEN CABINETS	WHITE HILL				1075.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D354-6	DESIGNER WHITE	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	61.67 SY	6900 CREAMY BEIGE	ECC0101A03
Zone: 02	1ST FLOOR STAIR/HALL CARPETING	AMBRIA	46	85.67 SY	6900 CREAMY BEIGE	ECC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		17.67 SY	89264	ELC0103A03
	Package includes UPGRADE Padding in carpeted areas					
XFS01	FLOORING PACKAGES - STANDARD LAYOUT					2305.72 CH
04---SELECTIONS: INTERIOR---						
HPX02	FIREPLACE	GAS BURNING FIREPLC	CORNEN TV			4200.00 CH
NDU01	BIFOLD DOORS	DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		290.00 CH
NDU02	BIFOLD DOORS	DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00 CH
MSU01	SLIDER DOORS	MSR BR HI-SLIDER	HI-SLIDER	3'0"		150.00 CH
MSU02	SLIDER DOORS	BR #2 HI-SLIDER	HI-SLIDER	3'0"		175.00 CH
MSU03	SLIDER DOORS	BR #3 HI-SLIDER	HI-SLIDER	4'0"		175.00 CH

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER :	<i>James Toler</i>	GRAND TOTAL	\$	11300.72
PURCHASER :		Incl. Mortg. Sel	\$	10140.72
DATE :	<i>12/5/93</i>	AMOUNT DUE NOW	\$	339.02
SALES REP :	<i>Jim Weems</i>	AMOUNT PAID NOW	\$	339.02 "CK"
SALES MGR :	<i>W. Kaben 12-9-93</i>	AMOUNT DUE AT CLOS	\$	10961.70
CONST. MGR :	<i>12-16-93</i>			

PROJECT : 10 - SOCIETY HILL 2 DRIV. HEIGHTS III ETC

Printed: 05-DEC-1993

BLDG NO: 12 UNIT: A3
MODEL : SMI330-B UP

*+ DEPENDENT SELECTIONS, OPTIONS & UPGRADES **

BUYER : TULTE
CONTRACT DATE: 31-out-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCE---						
AW001	WASTE DISPOSAL	DISPOSAL	DISPOS			130.00
AW002	DISHWASHER	UPGRADE 4 CYCLE	DS0040	BLACK BLACK		365.00
AW006	REFRIGERATOR	5X5 21.7 DE 32.5"	TR2322A	21.7 DE	WHITE/BLA WHITE W/ BLACK	1160.00
AW001	RECORDABLE DUMB	OVER RANGE (NOV-DEPT	OV0131	BLACK BLACK		505.00
AW001	GRAB	UPGRADE SELF CLEAN	JG02346E	WHITE WHITE		560.00
02---CABINETS---						
KT003	KITCHEN CABINETS	WHITE HILL				1075.00
KT006	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		DESIGNER WHITE		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	AMERICA	40	61.67 Sq	6900 CREAMY BEIGE	FC00101A03
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	AMERICA	40	80.07 Sq	6900 CREAMY BEIGE	FC00102A03
Zone: 03	KITCHEN/BATH					
	LINOLEUM FLOORING	UNSIDER		17.07 Sq	83004	FC00103A03
Package includes UPSCALE Padding in carpeted areas						
ME001	ELECTRICAL PACKAGES -- STANDARD LAYOUT					2305.72
04---SELECTIONS: INTERIOR---						
NS002	EFFECTABLE	635 BURNING EFFECT	COPPER TR			4200.00
NS001	SLIDER DOORS	DR, LEFT HI-BEGLD	HI-BEGLD	3'0"		200.00
NS002	SLIDER DOORS	DR, RIGHT HI-BEGLD	HI-BEGLD	3'0"		200.00
NS001	SLIDER DOORS	DR, BK HI-SLIDER	HI-SLIDER	3'0"		150.00
NS002	SLIDER DOORS	DR #2 HI-SLIDER	HI-SLIDER	4'0"		175.00
NS003	SLIDER DOORS	DR #3 HI-SLIDER	HI-SLIDER	4'0"		175.00

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

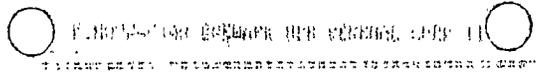
PURCHASER : James Jelen
PURCHASER : _____
DATE : 12/5/93

GRAND TOTAL \$ 11300.72
incl. Serv. Fee \$ 10140.72

SALES REP : Jim Wynn
SALES REP : William Rabon 12 9 93
CONST. REP : 12-16-93

AMOUNT DUE NOW \$ 339.02
AMOUNT PAID NOW \$ 339.02 "CR"
AMOUNT DUE AT CLOS \$ 10961.70

KHOV033946



FLORIAN'S CAR WASH AND SERVICE, INC. 11
 11000 W. 11th St. - Suite 1111, Overland Park, MO 66204
 PHONE: 468-1111

Printed: 01-08-1993

DATE: 01/05/93
 MODEL: 1993

ALL BELONGS TO FLORIAN'S CAR WASH AND SERVICE, INC.

ORDER TOTAL
 UNIT PRICE: 11000.00

ITEM	DESCRIPTION	QTY	UNIT PRICE	TOTAL	OPTION	PRICE
0001	ROUTE DELIVERY	1	135.00	135.00		
0002	WARRANTY	1	485.00	485.00		
0003	REPAIRS	1	1160.00	1160.00		
0004	WARRANTY OVER	1	589.00	589.00		
0005	PAINT	1	560.00	560.00		
0006	SEALER	1	1070.00	1070.00		
0007	WARRANTY	1	500.00	500.00		
0008	SEALER	1	1070.00	1070.00		
0009	WARRANTY	1	500.00	500.00		
0010	SEALER	1	1070.00	1070.00		
0011	WARRANTY	1	500.00	500.00		
0012	SEALER	1	1070.00	1070.00		
0013	WARRANTY	1	500.00	500.00		
0014	SEALER	1	1070.00	1070.00		
0015	WARRANTY	1	500.00	500.00		
0016	SEALER	1	1070.00	1070.00		
0017	WARRANTY	1	500.00	500.00		
0018	SEALER	1	1070.00	1070.00		
0019	WARRANTY	1	500.00	500.00		
0020	SEALER	1	1070.00	1070.00		
0021	WARRANTY	1	500.00	500.00		
0022	SEALER	1	1070.00	1070.00		
0023	WARRANTY	1	500.00	500.00		
0024	SEALER	1	1070.00	1070.00		
0025	WARRANTY	1	500.00	500.00		
0026	SEALER	1	1070.00	1070.00		
0027	WARRANTY	1	500.00	500.00		
0028	SEALER	1	1070.00	1070.00		
0029	WARRANTY	1	500.00	500.00		
0030	SEALER	1	1070.00	1070.00		
0031	WARRANTY	1	500.00	500.00		
0032	SEALER	1	1070.00	1070.00		
0033	WARRANTY	1	500.00	500.00		
0034	SEALER	1	1070.00	1070.00		
0035	WARRANTY	1	500.00	500.00		
0036	SEALER	1	1070.00	1070.00		
0037	WARRANTY	1	500.00	500.00		
0038	SEALER	1	1070.00	1070.00		
0039	WARRANTY	1	500.00	500.00		
0040	SEALER	1	1070.00	1070.00		
0041	WARRANTY	1	500.00	500.00		
0042	SEALER	1	1070.00	1070.00		
0043	WARRANTY	1	500.00	500.00		
0044	SEALER	1	1070.00	1070.00		
0045	WARRANTY	1	500.00	500.00		
0046	SEALER	1	1070.00	1070.00		
0047	WARRANTY	1	500.00	500.00		
0048	SEALER	1	1070.00	1070.00		
0049	WARRANTY	1	500.00	500.00		
0050	SEALER	1	1070.00	1070.00		
0051	WARRANTY	1	500.00	500.00		
0052	SEALER	1	1070.00	1070.00		
0053	WARRANTY	1	500.00	500.00		
0054	SEALER	1	1070.00	1070.00		
0055	WARRANTY	1	500.00	500.00		
0056	SEALER	1	1070.00	1070.00		
0057	WARRANTY	1	500.00	500.00		
0058	SEALER	1	1070.00	1070.00		
0059	WARRANTY	1	500.00	500.00		
0060	SEALER	1	1070.00	1070.00		
0061	WARRANTY	1	500.00	500.00		
0062	SEALER	1	1070.00	1070.00		
0063	WARRANTY	1	500.00	500.00		
0064	SEALER	1	1070.00	1070.00		
0065	WARRANTY	1	500.00	500.00		
0066	SEALER	1	1070.00	1070.00		
0067	WARRANTY	1	500.00	500.00		
0068	SEALER	1	1070.00	1070.00		
0069	WARRANTY	1	500.00	500.00		
0070	SEALER	1	1070.00	1070.00		
0071	WARRANTY	1	500.00	500.00		
0072	SEALER	1	1070.00	1070.00		
0073	WARRANTY	1	500.00	500.00		
0074	SEALER	1	1070.00	1070.00		
0075	WARRANTY	1	500.00	500.00		
0076	SEALER	1	1070.00	1070.00		
0077	WARRANTY	1	500.00	500.00		
0078	SEALER	1	1070.00	1070.00		
0079	WARRANTY	1	500.00	500.00		
0080	SEALER	1	1070.00	1070.00		
0081	WARRANTY	1	500.00	500.00		
0082	SEALER	1	1070.00	1070.00		
0083	WARRANTY	1	500.00	500.00		
0084	SEALER	1	1070.00	1070.00		
0085	WARRANTY	1	500.00	500.00		
0086	SEALER	1	1070.00	1070.00		
0087	WARRANTY	1	500.00	500.00		
0088	SEALER	1	1070.00	1070.00		
0089	WARRANTY	1	500.00	500.00		
0090	SEALER	1	1070.00	1070.00		
0091	WARRANTY	1	500.00	500.00		
0092	SEALER	1	1070.00	1070.00		
0093	WARRANTY	1	500.00	500.00		
0094	SEALER	1	1070.00	1070.00		
0095	WARRANTY	1	500.00	500.00		
0096	SEALER	1	1070.00	1070.00		
0097	WARRANTY	1	500.00	500.00		
0098	SEALER	1	1070.00	1070.00		
0099	WARRANTY	1	500.00	500.00		
0100	SEALER	1	1070.00	1070.00		

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of \$50 at signing and the balance at closing. There may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *James Jelen*
 ADDRESS: _____
 DATE: *12/5/93*

ORDER TOTAL \$ 11000.00
 Incl. contg. fee \$ 1010.00
 AMOUNT DUE NOW \$ 100.00
 AMOUNT DUE AT CLOSING \$ 1000.00

SALE TO: *Jim Weems*
 ADDRESS: *1111 S. 12th St. #12*
 DATE: *12-16-93*

KHOV033947

PLEASE CHECK FOR CORRECT DESCRIPTIONS, INCLUDING COLOR, MODEL NUMBERS & TOTALS. ALL SELECTIONS MUST BE COMPLETE AND MUST BE CONSIDERED FINAL. OPTIONS AND UPGRADES WILL BE PAID FOR WITH A MINIMUM OF \$100.00 AT SIGNING AND THE BALANCE AT CLOSING. TARIFFS MAY VARY IF OPTIONS ARE INSTALLED. SELLER RESERVES THE RIGHT TO SUBSTITUTE MATERIAL, AND EQUIPMENT WITH ITEMS OF COMPARABLE VALUE. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

U.S. GPO : 1963-0-250-123
 Printed in U.S.A.

ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL PRICE	REMARKS
0101	CASHE DISHES	10	13.00	130.00	
0102	DISHES	10	15.00	150.00	
0103	PLATE DISHES	10	11.00	110.00	
0104	PLATE DISHES	10	59.00	590.00	
0105	PLATE DISHES	10	50.00	500.00	
0201	FURNACE	1	100.00	100.00	
0202	FURNACE	1	100.00	100.00	
0301	STOVE	1	100.00	100.00	
0302	STOVE	1	100.00	100.00	
0303	STOVE	1	100.00	100.00	
0304	STOVE	1	100.00	100.00	
0305	STOVE	1	100.00	100.00	
0306	STOVE	1	100.00	100.00	
0307	STOVE	1	100.00	100.00	
0308	STOVE	1	100.00	100.00	
0309	STOVE	1	100.00	100.00	
0310	STOVE	1	100.00	100.00	

Please check this item for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades will be paid for with a minimum of \$100.00 at signing and the balance at closing. Tariffs may vary if options are installed. Seller reserves the right to substitute material, and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: James J. Allen Grand Total \$ 11200.00
 PURCHASER: _____ Incl. Party, Set 1 10100.00
 DATE: 12/15/93
 SELLER: Ann Wayne Grand Total Due \$ 100.00
 SELLER: _____ Grand Total Paid \$ 300.00
 SELLER: _____ Grand Total Due \$ 100.00

KHOV033949

MODEL : 00 UNIT: 00
MODEL : 00000-0 SUP

*** INFORMATION SELECTIONS, OPTIONS & UPGRADES ***

BUYER : TOLSA
CONTRACT DATE: 31-001-1993

SELECTION	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---ATT. TILES						
AK001	WASTE DISPOSAL	DISPOSAL	000000			130.00
AK002	DISHWASHER	UPGRADE 4 CYCLE	800000	BLACK BLACK		465.00
AK006	REFRIGERATOR	5X8 21.7 CE 34.5"	178230A	21.7 CE UNIT/BLA WHITE W/ BLAC		1160.00
AK003	MICROWAVE OVEN	OVER RANGE (NON-VENT)	000100	BLACK BLACK		305.00
AK004	PANTRY	UPGRADE 56L5 CLEAN	000100B	WHITE WHITE		560.00
02---CABINETS						
KH003	KITCHEN CABINETS	WHITE HILL				1375.00
KH004	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		0251-6 DESIGNER WHITE		6.00
03---FLOORING						
Zone: 01 2ND FLOOR						
	CARPETS	ARMERIA	46	61.67 SQ	6900 CREAMY BEIGE	ELC0110A03
Zone: 02 1ST FLOOR STAIR/HALL						
	CARPETS	ARMERIA	46	33.67 SQ	6900 CREAMY BEIGE	ELC0102A03
Zone: 03 KITCHEN/ENTRY						
	LINOLEUM FLOORING	DESIGNER		17.07 SQ	83264	ELC0103A03
	Package includes UPGRADE Padding in carpeted areas					
AK001	FLOORING PACKAGES -- STANDARD LAYOUT					2400.72
04---SELECTIONS: INTERIOR						
MS002	FIREPLACE	740 BURNING FIREPLACE	CORNER TV			4200.00
MS001	BI-FOLD DOORS	BR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MS002	BI-FOLD DOORS	BR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MS001	SLIDER DOORS	MSIR BR HI-SLIDER	HI-SLIDER	3'0"		150.00
MS002	SLIDER DOORS	BR 40 HI-SLIDER	HI-SLIDER	4'0"		175.00
MS003	SLIDER DOORS	BR 40 HI-SLIDER	HI-SLIDER	4'0"		175.00

3%

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PURCHASER : *Jane Jelen*
PURCHASER :
DATE : *12/5/93*

GRAND TOTAL \$ 11300.72
Incl. Mortg. Sel \$ 10145.72
AMOUNT DUE NOW \$ 339.00
AMOUNT PAID NOW \$ 303.02
AMOUNT DUE AT CLOS \$ 10761.70

SALES REP : *Jim Weiss*
SALES REP : *Wesley Raben 12-9-93*
CONST. DATE :

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JOANNE L TOLER (u) of 1691 EAST 174TH STREET/APT 8D
 Tel: Res: (718) 589-1796 BRONX
 Bus: (212) 460-3902 NY ,10472.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.02
 BLDG NO.: 22 , UNIT NO: A2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	31-OCT-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	31-OCT-1993
	ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	30-NOV-1993
	BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$109,950.00		

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30-DEC-1993
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE

Joanne Toler 10/31/93

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV033977



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse: any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 31st day of October, 1993.

Buyer: Joanne Zoler

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Joanne Zoler 10/31/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Wayne Soojian 11/1/93
BUYER DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

KHOV033981

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JOANNE L. TOELER (u) of 1691 EAST 174TH STREET/APT 8B
 Tel: Res: (718) 589-1796 BRONX
 Bus: (212) 460-7902 NY , 10471.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.02
 BLDG NO.: 22 , UNIT NO: A2 , MODEL: STH 330-U UPPER

88 CALLAHAN CT.

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASIC PRICE of MODEL \$109,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	31 OCT 1993
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	31 OCT 1993
ADDITIONAL DEPOSIT	\$	2,298.50	BY DATE	30 NOV 1993
BALANCE at CLOSING	\$	106,651.50	PAID by	CERTIFIED CHECK
Total PAYMENT		\$109,950.00		

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30 DEC 1993
 Estimated COMPLETION DATE: 15 FEB 1994
 BY MONTH YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

Joanne Toeler 10/31/93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

K. Hovnanian at Newark
 Urban Renewal Corporation III, Inc.

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landacama, Inc
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. Taler* BLDG./UNIT NO: *22A2* MODEL NO: *1300*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *10/31*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

James Taler 10/31/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033986

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: E1

The Purchase Agreement between Patricia Murphy BUYER(S)
BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
- 2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,027.42
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 97,886.65
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,900.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-11-94
DATE

Patricia Murphy
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV033991

AMENDMENT TO PURCHASE AGREEMENT

AM

Building No.: 22

Unit No.: B1

The Purchase Agreement between Patricia Murphy BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,118.92
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 99,795.15
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,950.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-22-93
DATE

Patricia Murphy
BUYER

BUYER

BUYER
SELLER CORPORATION:
BY: *WJ*
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033993

XXX

R. HOUNANIAN BENCHMARK-URB RENEWAL CORP III

D.S.No : IW-22-B1

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III EEC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STH1150-S >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	WHITE	WHITE	340.00 <M
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18N4S	WHITE	WHITE	620.00
ANS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 <M
ARS00	RANGE	STANDARD RANSE	JGBC15GE	WHITE	WHITE	0.00 <M
AWX01	WASHER	WASHER LARGE CAPACIT	WVA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XIRDG5888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8	SAND NEBULA	0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	40	63 SY	6069 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBAY		19 SY	68441	FLC0103A00
	Package includes: UPGRADE Padding in carpeted areas					
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <M
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <M
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <M
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 <M
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *x Patricia Murphy*
 PURCHASER: _____
 DATE: *x 12-22-93*
 SALES REP: *J Stanley*
 SALES MGR: *William Rabe* 12-22-93
 CONST. MGR: _____ 1-2-94

RECEIVED
 DEC 23 1993

GRAND TOTAL \$ 3964.07
 Incl. Mortg. Sel \$ 2529.07
 AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 "CK"
 AMOUNT DUE AT CLOS \$ 3845.15

KHOV033994

XXX

K. HOVNANIAN BENCHMARK-URB RENEWAL CORP III

D.S.No : IM-22-B1

PROJECT : IM - SOCIETY HILL @ UNIV. HEIGHTS, III-ERC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STM1150-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	6SD500	WHITE	WHITE	340.00 <M
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00 <M
AWX01	WASHER	WASHER LARGE CAPACIT	WVA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8	SAND NEBULA	0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XES01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <M
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <M
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <M
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	SIDBIFOLD	3'0"		0.00 <M
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STOBIFOLD	3'0"		0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *x Patricia Murphy*
 PURCHASER: _____
 DATE: *12-22-93*
 SALES REP: *A Stanley*
 SALES MGR: *William Baber* 12-22-93
 CONST. MGR: *1-3-94*

GRAND TOTAL \$ 3964.07
 Incl. Mortg. Sel \$ 2529.07
 AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 "CK"
 AMOUNT DUE AT CLOS \$ 3845.15

118.92
x Patricia Murphy

KHOV033995

ZZZ

K. HOVNANIAN BENCHMARK-URP RENEWAL CORP III

D.S. No : IM-22-B1

PROJECT : IM - SOCIETY HILL @ UNIV. HEIGHTS III-ERC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : SYH150-G >LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	WHITE WHITE		340.00 <H
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE WHITE		620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JMS22	WHITE WHITE		0.00 <H
ARS00	RANGE	STANDARD RANGE	JGEC150E	WHITE WHITE		0.00 <H
AWX01	WASHER	WASHER LARGE CAPACIT	UWA5669	WHITE WHITE		470.00
AYX01	DRYER	DRYER 4 CYCLE	XIRDG5888	WHITE WHITE		345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8 SAND NEBULA		0.00 <H
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <H
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <H
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <H
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 <H
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 <H

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *x Patrick Murphy*
 PURCHASER : _____
 DATE : *12-22-93*
 SALES REP : *J. Stanley*
 SALES MGR : *Quinn Baker*
 CONST. MGR : *12-22-93*

GRAND TOTAL \$ 3964.07
 Incl. Mortg. Sel \$ 2529.07
 AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 "CK"
 AMOUNT DUE AT CLOS \$ 3845.15

118.92

KHOV033996

PROJECT : IM - SOCIETY HLD. & UNIV. MEDICALS III ETC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: 01
 MODEL : 57M1150-G XLO

AAA DECORATIVE SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY
 CONTRACT DATE: 05-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE	
01---APPLIANCES---							
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	WHITE	WHITE	340.00 CH	
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	FDX1804S	WHITE	WHITE	620.00	
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JR322	WHITE	WHITE	0.00 CH	
ARS00	RANGE	STANDARD RANGE	JG6C156E	WHITE	WHITE	0.00 CH	
AWX01	WASHER	WASHER LARGE CAPACITY	WQAS669	WHITE	WHITE	470.00	
AYX01	DRYER	DRYER 4 CYCLE	XTRDD65888	WHITE	WHITE	345.00	
02---CABINETS---							
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 CH	
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4828-8	SAND NEBULA		0.00 CH	
03---FLOORING---							
Zone: 01	2ND FLOOR						
	CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND EPOST	ECC0101A03	
Zone: 02	1ST FLOOR STAIRS/HALL						
	CARPETING	AMBRIA	46	63 SY	6869 ALMOND EPOST	ECC0102A03	
Zone: 03	KITCHEN						
	LINOLEUM FLOORING	CAMBRY	19 SY	68441		FLC0103A00	
	Package includes UPGRADE Padding in carpeted areas						
YES01	FLOORING PACKAGES -- STD. LAYOUT						1514.97 CH
04---SELECTIONS: INTERIOR---							
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH	
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH	
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH	
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH	
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	SIDEBIFOLD	3'0"		0.00 CH	
MBS05	BIFOLD DOORS	3RD FLOOR LINEN	STDBIFOLD	3'0"		0.00 CH	

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>[Signature]</i>	GRAND TOTAL	\$	3964.97
PURCHASER:	Incl. Mortg. Sel	\$	2529.97
DATE: 12-22-93	AMOUNT DUE NOW	\$	118.93
SALES REP: <i>[Signature]</i>	AMOUNT PAID NOW	\$	118.92 "OK"
SALES MGR: <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	3845.15
CONST. MGR: <i>[Signature]</i>			

118.92
[Signature]

PROJECT : IN - SOCIETY HILL P UNIV. HUNGRS III 680

Printed: 22-DEC-1993

BLDG NO: 2X UNIT: 01
MODEL : 5TH150-B 1LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY
CONTRACT DATE: 03-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AMX01	DISHWASHER	1ST LEVEL 3 CYCLE	QSP500	WHITE	WHITE	340.00 CH
AEN01	REFRIGERATOR	19.2 CF REFRIGERATOR	(BX)8D49	WHITE	WHITE	620.00
AM500	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 CH
AK500	RANGE	STANDARD RANGE	J06013NE	WHITE	WHITE	0.00 CH
AMX0T	WASHER	WASHER LARGE CAPACIT	WMA5059	WHITE	WHITE	470.00
ATX01	DRYER	DRYER 4 CYCLE	XIRD005888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4528-B	SAND REDULA	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.23 SQ	6869 ALMOND FROST	FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SQ	6869 ALMOND FROST	FCC0102A03
Zone: 03	KITCHEN KUMULUM FLOORING	CAMBAY		19 SQ	69441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XPN01	FLOORING PACKAGES --- STD. LAYOUT					1514.07 CH
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 CH
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Taxes may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
 PURCHASER : [Signature]
 DATE : 12-22-93

GRAND TOTAL \$ 3964.07
 Incl. Mortg. Sel \$ 2529.07

SALES REP : [Signature]
 SALES REP : [Signature]
 COMST. NOB : 12-22-93

AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 *CH*
 AMOUNT DUE AT CLS \$ 3845.15

118.92
 [Handwritten notes and signatures]

PROJECT : IM - SOCIETY HILL @ UNIV. HONOLULU III, SSC

Printed: 22-DEC-1993

BLDG NO: 33 UNITS: 01
APPL : SM1150-5 PLO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : HURPHY
CONTRACT DATE: 09-DEC-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01 - APPLIANCES						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS8500	WHITE	WHITE	340.00 CH
AKX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TRX1804G	WHITE	WHITE	620.00
AKB00	RANGE HOOD	STANDARD RANGE HOOD	JH322	WHITE	WHITE	0.00 CH
AKB00	RANGE	STANDARD RANGE	JHPC15HC	WHITE	WHITE	0.00 CH
AKX01	WASHER	WASHER LARGE CAPACIT	UNAS607	WHITE	WHITE	470.00
AKX01	DRYER	DRYER 3 CYCLE	TRSD063680	WHITE	WHITE	345.00
02 - CABINETS						
AKC01	KITCHEN CABINETS	NATURAL LITE				675.00 CH
AKC00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		3528-0	SAND MARULA	0.00 CH
03 - FLOORING						
Zone: 01	2ND FLOOR CARPETING	ARABIA	46	39.33 SY	6869 ALMOND FRUIT	FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ARABIA	46	63.91	6869 ALMOND FRUIT	FCC0102A03
Zone: 03	KITCHEN LAMINUM FLOORING	CARRAY		19.87	68441	FCC0103A00
Package includes UPGRADE Padding in carpeted areas						
AKF01	FLOORING PACKAGES -- STD. LAYOUT					1514.97 CH
04 - SELECTIONS: INTERIOR						
AKS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH
AKS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH
AKS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH
AKS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH
AKS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 CH
AKS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <u>X</u>	GRAND TOTAL	\$	1964.07
PURCHASER: _____	Incl. Mortg. Sel	\$	2539.07
DATE: <u>12-22-93</u>	AMOUNT DUE NOW	\$	110.93
SALES REP: _____	AMOUNT PAID NOW	\$	110.93 "CH"
SALES MGR: _____	AMOUNT DUE AT CLS	\$	3045.15
CONST. MGR: _____			

KHOV033999

XXX

R. HUNNANIAN BENCHMARK-USE RENEWAL CORP III

U.S.No : IW-22-B1

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STH150-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD509	WHITE	WHITE	340.00 <H
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	FBX18RAS	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 <H
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00 <H
AWX01	WASHER	WASHER LARGE CAPACIT	WJAS669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5888	WHITE	WHITE	345.00
02---CABINETS---						
KLU01	KITCHEN CABINETS	NATURAL LITE				675.00 <H
KIS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8	SAND NEBULA	0.00 <H
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	FCC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
YES01	FLOORING PACKAGES	STD. LAYOUT				1514.07 <H
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <H
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <H
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	SIDBIFOLD	3'0"		0.00 <H
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 <H

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Patricia Murphy*
 PURCHASER: *Patricia Murphy*
 DATE: *12-22-93*
 SALES REP: *J. Stanley*
 SALES MGR: *Aaron Reber 12-22-93*
 CONST. MGR:

GRAND TOTAL \$ 3964.07
 Incl. Mortg. Sel \$ 2529.07
 AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 *CK*
 AMOUNT DUE AT CLOS \$ 3945.15

118.92 Patricia Murphy

KHOV034000

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP llocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): PATRICIA MURPHY (u) of 541 DECATUR ST.
Tel: Res: (718) 452-4732 BROOKLYN
Bus: (212) 808-7539 NY ,11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.03
BLDG NO.: 22 , UNIT NO: B1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 03-JAN-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 93,600.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

12.10.93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034027

3964.07

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)
JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4 day of Dec., 1993.

Buyer: Patricia Murphy 12/4/93

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patricia Murphy 12/4/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12-10-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV034031

S U M M A R Y O F B A S I C P R O V I S I O N S

1015

ak

The SELLER: K.HOVNANTIAN (ONE) BKK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): PATRICIA MURPHY (u) of 541 DECATUR ST.
Tel: Res: (718) 452-4712 BROOKLYN
Bus: (212) 808 1539 NY 11231

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ ONLY, HEIGHTS T11 E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.01
BLDG NO: 22 , UNIT NO: 01 , MODEL: STH11050-G 2 FLOOR

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE OF MODEL \$ 96,950.00

94 Callahan Ct.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 1,900.50 BY DATE 03-JAN-1994
BALANCE at CLOSING \$ 94,041.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,600.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Patricia Murphy 12/4/93
(BUYER) DATE

(SELLER) DATE (BUYER) DATE
(BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarann, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034032



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: MODEL NO:

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER DATE
BUYER DATE
BUYER DATE
BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034033

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: 02

The Purchase Agreement Between Angela Onyiah, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,284.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV034038

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

_____, Buyer.

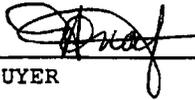
UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.



BUYER

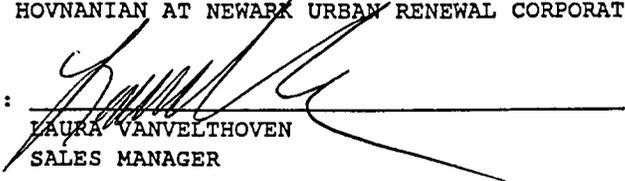
4/9/94

DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034039

PROJECT : IM - SOCIETY HILL @ UNIV. HEIGHTS III E2C

Printed: 09-APR-1994

BLDG NO: 22 UNIT: B2
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : ONAEQUORA
CONTACT DATE: 09-APR-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
APX01	WASTE DISPOSAL	DISPOSAL	GEC22N			130.00 CM
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 CM
APX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JW4131	BLACK	BLACK	505.00 CM
AKS00	RANGE	STANDARD RANGE	JGBU15GE	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WNA8520R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	YTR0957680	WHITE	WHITE	375.00
02---CABINETS---						
KCU02	KITCHEN CABINETS	NATURAL ARCH TANGE				925.00 CM
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORFELL	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	CAMEL BAY	93	39.33 SY	4379	MOON SPINNER ECC0101404
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	CAMEL BAY	93	75.67 SY	4379	MOON SPINNER ECC0102404
Zone: 03	KITCHEN					
	LINOLEUM FLOORING	STARSTEP		19 SY	64633	ECC0103402
Package includes UPGRADE Padding in carpeted areas						
ZFS01	FLOORING PACKAGES -- STD. LAYOUT					2399.60 CM
04---SELECTIONS: INTERIOR---						
ME503	BIFOLD DOORS	2ND FLOOR STORAGE	STUBIFOLD	4'0"		0.00
ME504	BIFOLD DOORS	2ND FLOOR LINEN	SIDBIFOLD	3'0"		0.00
MEU00	BIFOLD DOORS	LIVING ROOM STORAGE	SI-BIFOLD	4'0"		140.00 CM
MEU01	BIFOLD DOORS	MASTER BEDROOM	SI-BIFOLD	4'0"		140.00 CM
MEU02	BIFOLD DOORS	BEDROOM #2	SI-BIFOLD	4'0"		140.00 CM

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
 PURCHASER : _____
 DATE : *4/9/94*
 SALES REP : *Sig Weems*
 SALES MGR : *Clayton Rabon 412-94*
 CONST. MGR : _____

GRAND TOTAL \$ 6334.60
 Incl. Mrtg. Sel \$ 4719.60
 AMOUNT DUE NOW \$ 0.00
 NOT PAID
 AMOUNT DUE AT CLCS \$ 6334.60

TOD

KHOV034040

777

K. HOVNANIAN PNEUMARK-URR GENERAL CORP II

D.S. No. 10-22-82

PROJECT : IN - SOCIETY HILL 2 UNIT. HEIGHTS III E3C

Printed: 09-APR-1994

BLOG NO: 22 UNIT: 02
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : ONAFEDORA
CONTRACT DATE: 09-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GFC29H			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 <M
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE	740.00
AHX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00 <M
ANS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WA0620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XIRD067680	WHITE	WHITE	375.00
02---CABINETS---						
KCU02	KITCHEN CABINETS	NATURAL ARCH TANOE				925.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORPEIT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	CAMEEL BAY	93	39.33 SY	4379	MOON SPINNER FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	CAMEEL BAY	93	75.67 SY	4379	MOON SPINNER FCC0102A04
Zone: 03	KITCHEN					
	LINOLEUM FLOORING	STARSTEP		19 SY	64623	ELC0103A02
	Package includes UPGRADE Padding in carpeted areas					
XF001	FLOORING PACKAGES -- STD. LAYOUT					2399.60 <M
04---SELECTIONS: INTERIOR---						
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	SIDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	SIDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 <M
NBU01	BIFOLD DOORS	MASTER BEDROOM	HI-BIFOLD	4'0"		140.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 <M

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : <input checked="" type="checkbox"/>	<i>[Signature]</i>	GRAND TOTAL	\$	6334.60
PURCHASER : _____		Incl. Mortg. Sel	\$	4719.60
DATE : <input checked="" type="checkbox"/>	4/9/94	AMOUNT DUE NOW	\$	0.00
SALES REP : <i>[Signature]</i>		NOT PAID		
SALES MGR : <i>[Signature]</i>	4-12-94	AMOUNT DUE AT CLOS	\$	6334.60
CONST. MGR : _____				

[Handwritten signature]

KHOV034041

BLDG NO: 22 UNIT: B2
MODEL : STN150-U DUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : ONAFOMBA
CONTRACT DATE: 09-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ARX01	WASTE DISPOSAL	DISPOSAL	GFC29P			130.00 <H
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	89D500	WHITE	WHITE	340.00 <H
AEX02	REFRIGERATOR	19.1 CF REFRIGERATOR	YBX13P4S	WHITE	WHITE	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <H
ARS00	RANGE	STANDARD RANGE	JBBC150E	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WVAG620R	WHITE	WHITE	500.00
AVX02	DRYER	DRYER 5 CYCLE	XTRDD97680	WHITE	WHITE	375.00
02---CABINETS---						
KCU02	KITCHEN CABINETS	NATURAL ARCH TARD				933.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORCEIT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CANDEL BAY	93	39.33 SY	4379 MOON SPINNER	ECC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CANDEL BAY	93	75.67 SY	4379 MOON SPINNER	ECC0102A04
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64623	ELC0103A02
Package includes UPGRADE Padding in carpeted areas						
XFG01	FLOORING PACKAGES -- STD. LAYOUT					2399.60 <H
04---SELECTIONS: INTERIOR---						
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	HL-BIFOLD	4'0"		140.00 <H
NBU01	BIFOLD DOORS	MASTER BEDROOM	HL-BIFOLD	4'0"		140.00 <H
NBU02	BIFOLD DOORS	BEDROOM #2	HL-BIFOLD	4'0"		140.00 <H

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : _____
DATE : 4/9/94

GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60

SALES REP : [Signature]
SALES MGR : [Signature]
CONST. MGR : _____

AMOUNT DUE NOW \$ 0.00
NOT PAID
AMOUNT DUE AT CLOS \$ 6334.60

TAD

PROJECT : 10 - SOCIETY HILL & DRIV. HEIGHTS 11183C

Printed: 09-APR-1994

BLOG NO: 22 UNIT: 02
MODEL : STH150-U DUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : ONAEONORA
CONTRACT DATE: 09-APR-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GC29R			130.00 CH
ANX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 CH
ANX02	REFRIGERATOR	19.1 CB REFRIGERATOR	TRX19FAS	WHITE	WHITE	740.00
ANX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVW131	BLACK	BLACK	505.00 CH
ARS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE	0.00
ANX02	WASHER	WASHER SUPER CAPACIT	WA48620R	WHITE	WHITE	500.00
ANX02	DRYER	DRYER 5 CYCLE	XD0067080	WHITE	WHITE	375.00
02---CABINETS---						
KC102	KITCHEN CABINETS	NATURAL ADRN TANDR				925.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORREIT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CANDEL BAY	93	39.33 SY	4379	MOON SPINNER FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CANDEL BAY	93	75.07 SY	4379	MOON SPINNER FCC0102A04
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64623	FAC0103A02
Package includes UPGRADE padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					2399.00 CH
04---SELECTIONS: INTERIOR---						
HDS03	BIFOLD DOORS	2ND FLOOR STORAGE	STORBIFOLD	4'0"		0.00
HDS04	BIFOLD DOORS	2ND FLOOR LINEN	STORBIFOLD	3'0"		0.00
HDS00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 CH
HDS01	BIFOLD DOORS	MASTER BEDROOM	HI-BIFOLD	4'0"		140.00 CH
HDS02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 CH

D.P.

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : _____
DATE : 4/9/94

GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60

AMOUNT DUE NOW \$ 0.00
NOT PAID

SALES REP : [Signature]
SALES MAN : [Signature]
CONST. MGR : _____

AMOUNT DUE AT CLOS \$ 6334.60

Handwritten initials/signature

KHOV034043

PROJECT : 10 - SOCIETY HILL @ WHT. HEIGHTS III-83C

Printed: 09 APR 1994

BLOG NO: 22 UNIT: 02
MODEL : STR150-0 JUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : CHAFQVORA
CONTRACT DATE: 09 APR 1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
APX01	WASTE DISPOSAL	DISPOSAL	GET399			120.00 CH
APX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS4500	WHITE	WHITE	240.00 CH
APX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TRX197AS	WHITE	WHITE	740.00
APX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVR131	BLACK	BLACK	505.00 CH
APX00	RANGE	STANDARD RANGE	JOB1506	WHITE	WHITE	0.00
APX02	WASHER	WASHER SUPER CAPACIT	W444620R	WHITE	WHITE	500.00
APX02	DRYER	DRYER 5 CYCLE	XTFD067080	WHITE	WHITE	375.00
02---CABINETS---						
KCH02	KITCHEN CABINETS	NATURAL ARCH TRIM				925.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PERFECT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CANDEL BAY	93	39.33 SY	4379	NOON SPINNER ECC0101AG4
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CANDEL BAY	93	75.07 SY	4379	NOON SPINNER ECC0102AG4
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	6462J	FLC0103AG2
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES --	STR. LAYOUT				2399.60 CH
04---SELECTIONS: INTERIOR---						
AD503	BIFOLD DOORS	2ND FLOOR STORAGE	STOBIFFLD	4'0"		0.00
AD504	BIFOLD DOORS	2ND FLOOR LINDEN	STOBIFFLD	3'0"		0.00
AD506	BIFOLD DOORS	LIVING ROOM STORAGE	BI-BIFOLD	4'0"		140.00 CH
AD501	BIFOLD DOORS	BASFER BEDROOM	BI-BIFOLD	4'0"		140.00 CH
AD502	BIFOLD DOORS	BEDROOM #2	BI-BIFOLD	4'0"		140.00 CH

6 0%

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PURCHASER : [Signature]
 PURCHASER : _____
 DATE : 04/09/94
 SALES REP : Lisa Weems
 SALES NO : [Number]
 CRIST. NO : _____

GRAND TOTAL \$ 6334.60
 Incl. Mortg. Sel \$ 4719.60
 AMOUNT DUE NOW \$ 0.00
 NOT PAID
 AMOUNT DUE AT CLS \$ 6334.60

KHOV034044

YZZ

K. HOUMANIAN BENEVOLENT-URB RENEWAL CORP

D.S. No. 10-33-B2

PROJECT : IW - SOCIETY HILL & UNIV. HEIGHTS III E&C

Printed: 09-APR-1994

BLDG NO: 22 UNIT: B2
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : ONAEOWORA
CONTRACT DATE: 09-APR-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GFC29P			130.00
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PA3	WHITE	WHITE	740.00
ANX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WWA8620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDDG7680	WHITE	WHITE	375.00
02---CABINETS---						
KCU02	KITCHEN CABINETS	NATURAL ARCH TAMOE				925.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE-POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CANEEL BAY	93	39.33 SY	4379 MOON SPINNER	ECC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CANEEL BAY	93	75.67 SY	4379 MOON SPINNER	ECC0102A04
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		15 SY	64623	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES	STD. LAYOUT				2399.60
04---SELECTIONS: INTERIOR---						
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	SYDBIFOLD	4'0"		0.00
MBS04	BIFOLD DOORS	2ND FLOOR LINEN	SYDBIFOLD	3'0"		0.00
MBU00	BIFOLD DOORS	LIVING ROOM STORAGE	M1-BIFOLD	4'0"		140.00
MBU01	BIFOLD DOORS	MASTER BEDROOM	M1-BIFOLD	4'0"		140.00
MBU02	BIFOLD DOORS	BEDROOM #2	M1-BIFOLD	4'0"		140.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
 PURCHASER : _____
 DATE : *4/5/94*
 SALES REP : *Sue Weems*
 SALES MGR : *Clara Labin 412-94*
 CONST. MGR : _____

GRAND TOTAL \$ 6334.60
 Incl. Mortg. Sel \$ 4719.60
 AMOUNT DUE NOW \$ 0.00
 NOT PAID
 AMOUNT DUE AT CLOS \$ 6334.60

[Handwritten initials]

KHOV034045

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

_____, Buyer.

UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.



BUYER

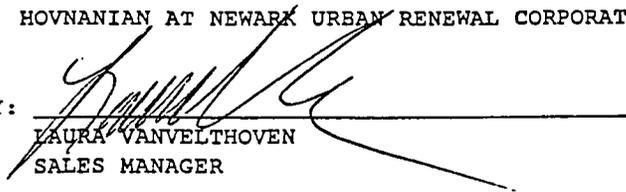
4/9/94

DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034059

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (U) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 242-8199 SOUTH ORANGE
Bus: (201) 399-6805 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.04
BLDG NO: 22 , UNIT NO: B2 , MODEL: STH1150-U UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-APR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-APR-1994
ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 09-MAY-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 08-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) [Signature] 4/9/94 DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

[Signature] 4/14/94
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034062

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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27. ATTORNEY REVIEW	4

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

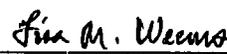
State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 9th day of April, 1994.

Buyer: 



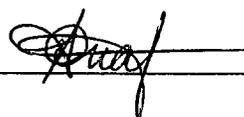
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 4/9/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:  4/14/94
DATE

KHOV034066

S U M M A R Y O F B A S I C P R O V I S I O N S

FC10

The SELLER: K. HOVNANIAN (NEWARK) URB RENEWAL CORP. I located at: 10 HWY 35, P.O. BOX 500

TERMS AND CONDITIONS - PURCHASE AGREEMENT

The BUYER(S): ANGELA ONAEQWORA (u) of 31 VOSE AVENUE/APT 118 SOUTH ORANGE NJ 07079. Tel: Res: (201) 242-8199 Bus: (201) 399-6805

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS 111 EAC NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.04 BLDG NO: 2208, UNIT NO: B2 MODEL: STH150-U DUPLEX

The PURCHASE PRICE: \$101,950.00. Consisting of: BASE PRICE of MODEL \$101,950.00

Table with 4 columns: Item, Description, Amount, Date. Includes rows for INITIAL DEPOSIT (\$0.00), ON SIGNING CONTRACT (\$1,000.00), ADDITIONAL DEPOSIT (\$2,058.50), BALANCE at CLOSING (\$98,891.50), and TOTAL PAYMENT (\$101,950.00).

MORTGAGE AMOUNT: \$98,850.00. MORTGAGE CONTINGENCY DATE: 08-JUN-1994. Estimated COMPLETION DATE: 15-FEB-1994. ENTIRE AGREEMENT OF COVENANTS: DY-MON-YEAR

21. PARTICULARS OF MORTGAGE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark (BUYER) 4/9/94. Urban Renewal Corporation III, Inc. (BUYER). (SELLER) DATE (BUYER) DATE

DEPOSITS - All deposits shall be held by (BUYER) at University Business Bank, Inc. DATE

Execution of Both this SUMMARY and the attached "TERMS AND CONDITIONS" PURCHASE AGREEMENT is required.

The BROKER: Landarama, Inc. Attn: Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

Execution of Both this SUMMARY and the attached "TERMS AND CONDITIONS" PURCHASE AGREEMENT is required. The BROKER: Landarama, Inc. Attn: Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701. CLOSING OF TITLE - Closing of title is to be held... TITLE - Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantors Act, Affidavit of Title, and a resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey.



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Onanifora

BLDG/UNIT: 2483

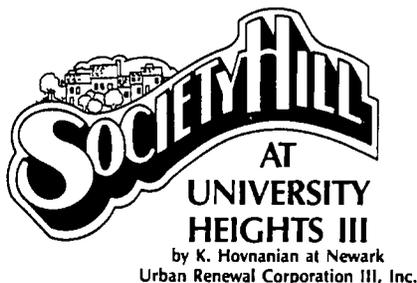
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RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/9, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 4/9/94
BUYER DATE
BUYER DATE
BUYER DATE



KHOV034069

af

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 21

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK ILL. INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 14-Dec-1993.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,708.72
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,611.76
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 83,096.96
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 79,650.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,958.72

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-25-94
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV034073

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 14-dec-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,708.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,661.26
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 86,047.45
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,958.72.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-20-94
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJEN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034075

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Alvin D. Whitney

_____, Buyer.

UNIT: C1 BLDG. 22

PURCHASE AGREEMENT DATED: 14-dec-1993

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$ 163.72

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 1-27-94

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 1-20-94

"BUYER"
X Alvin D. Whitney

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-14-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,545.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 87,545.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,495.00

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-23-93
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034079

OK

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): ALVIN D WHITNEY (M) of 110 POST AVE. NEW YORK NY 10034. Tel: Res: (212) 567-8551 Bus: (201) 974-6470

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.05 BLDG NO.: 22 UNIT NO: C1 MODEL: STH1050-G LOWER

The PURCHASE PRICE : \$ 86,950.00 Consisting of: BASE PRICE of MODEL \$ 86,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993 ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994 BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK. Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

X Alvin D. Whitney 12-14-93 (BUYER) DATE

(BUYER) DATE

(SELLER) DATE 12-20-93

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV034110



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and, Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/31/93

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14 day of Dec, 1993.

Buyer: *Armen D. Tsubitsey*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Armen D. Tsubitsey 12-14-93
BUYER DATE

BUYER DATE

BY: *Wayne Soojian* 12-20-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV034114

OK

SUMMARY OF BASIC PROVISIONS

LC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALVIN D WHITNEY *(M)* of 110 POST AVE.
. Tel: Res: (212) 567-8551 NEW YORK
Bus: (201) 974-6470 NY ,10034.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.05
BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
Consisting of:
BASE PRICE of MODEL \$ 86,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK

Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR :

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

X Alvin D. Whitney 12-14-93

(BUYER) DATE

[Signature]

(SELLER) DATE 12.20.93

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGroovey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

SUMMARY OF BASIC PROVISIONS

LC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ALVIN D WILTNEY (M) of 110 POST AVE.
 , Tel: Res: (212) 567-8551 NEW YORK
 Bus: (201) 974-6470 NY ,10034.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.05
 BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
 Consisting of:
 BASE PRICE OF MODEL \$ 86,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$ 0.00	ON DATE	14-DEC-1993
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	14-DEC-1993
ADDITIONAL DEPOSIT	\$ 1,608.50	BY DATE	13-JAN-1994
BALANCE at CLOSING	\$ 84,341.50	PAID by CERTIFIED CHECK	
Total PAYMENT		\$ 86,950.00	

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR:

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

X *Alvin D. Wiltney* 12-14-93
 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Whitney BLDG./UNIT NO: 22C1 MODEL NO: 1050G

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12-14-1993, I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO-SO MAY DELAY REFUND OF DEPOSIT MONIES.

X [Signature] 12-14-93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



KHOV034118

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 33

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,980.99
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,385.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,350.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-3-93
DATE

x Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034123

ZZZ

R. HOVNANIAN @NEWARK-URB RENEWAL CORP III

D.S.No : IW-22-C2

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS #11 E&C

Printed: 26-SEP-1993

BLDG NO: 22 UNIT: C2
MODEL : STH1050-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

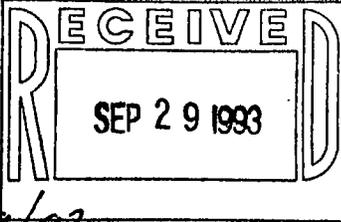
BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	WHITE	WHITE	340.00 <M
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSM2400	WHITE	WHITE	750.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAHOE				425.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	35.33 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	71.67 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	FLC0103A03
	Package includes UPGRADE Padding in carpeted areas					
XF501	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <M
04---SELECTIONS: INTERIOR---						
MBU00	BIFOLD DOORS	BEDROOM #1	MI-BIFOLD	4'0"		140.00 <M
MBU01	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"		140.00 <M
08---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Jacqueline C. Barb*
PURCHASER :
DATE : *9-26-93*

SALES REP : *Jim Weems*
SALES MGR : *Aaron Fabon 9-28-93*
CONST. MGR : *Matthew Halloran 9/29/93*



GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30
AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 'CK'
AMOUNT DUE AT CLOS \$ 7193.81

KHOV034124

BLOG NO: 22 UNIT: C2
MODEL : SM1050-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	QPC29R			130.00 <M
ADX01	DISHWASHER	18T LEVEL 3 CYCLE	6SD500	WHITE	WHITE	340.00 <M
AEX01	REFRIGERATOR	18.2 CY REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
ANX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSM2400	WHITE	WHITE	750.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TANQE				425.00 <M
KY800	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE	POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.39 SY	8749	DIAMOND DUST ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	71.67 SY	8749	DIAMOND DUST ECC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	ELC0103A03
	Package includes UPGRADE Padding in carpeted areas					
XF901	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <M
04---SELECTIONS: INTERIOR---						
NBU00	BIFOLD DOORS	BEDROOM #1	HI-BIFOLD	4'0"		140.00 <M
NBU01	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 <M
08---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Jacqueline C. Babo GRAND TOTAL \$ 7416.30
 PURCHASER : _____ Incl. Mortg. Sel \$ 6046.30
 DATE : 9-26-93
 SALES REP : Sue Weems AMOUNT DUE NOW \$ 222.49
 SALES NUM : Quwan Kabon 9.28.93 AMOUNT PAID NOW \$ 222.49 *CK*
 CONST. MGR : M. J. ... 9/29/93 AMOUNT DUE AT CLOS \$ 7193.81

KHOV034125

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III B3C

Printed: 26-SEP-1993

BLOG NO: 22 UNIT: C2
MODEL : STM1030-U SUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	QEC29R			130.00 CH
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 CH
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18D6S	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 CH
ARG00	RANGE	STANDARD RANGE	J0BC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSK2400	WHITE	WHITE	750.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAMU				425.00 CH
KYS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00
03---FLOORING---						
Zone: 01 2ND FLOOR						
	CARPETING	AMBRIA	46	25.33 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	AMBRIA	46	71.67 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03 KITCHEN/ENTRY						
	LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	FLC0103A03
Package includes UPGRADE Padding in carpeted areas.						
XF501	FLOORING PACKAGES	--- STD. LAYOUT				1866.30 CH
04---SELECTIONS: INTERIOR---						
MBU00	BIFOLD DOORS	BEDROOM #1	NI-BIFOLD	4'0"		140.00 CH
MBU01	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		140.00 CH
05---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				3500.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

BUYER: Jacqueline A. Barlow
 PURCHASER: _____
 DATE: 9-26-93

GRAND TOTAL \$ 7416.30
 Incl. Mortg. Sel \$ 6046.30
 AMOUNT DUE NOW \$ 222.49
 AMOUNT PAID NOW \$ 222.49 "CK"
 AMOUNT DUE AT CLOSE \$ 7193.81

SALES REP: Jim Weiss
 SALES NO: Quinn Rabon 9.28.93
 CONST. NO: 9/29/93

KHOV034126

LOG NO: 22 UNIT: C2
MODEL : SM1050-U XUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00 CH
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	6SD500	WHITE	WHITE	340.00 CH
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TX18048	WHITE	WHITE	630.00
AHX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JWH131	BLACK	BLACK	505.00 CH
AR500	RANGE	STANDARD RANGE	J9BC150E	WHITE	WHITE	0.00
AXX01	DRYER	WASHER/DRYER STACK	W6N2400	WHITE	WHITE	730.00
02---CABINETS---						
KX005	KITCHEN CABINETS	NATURAL TANOAK				425.00 CH
KX500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE	POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ARONIA	46	25.39 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ARONIA	46	71.67 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	ELC0103A03
Package includes UPBRA08 Padding in carpeted areas						
XK501	FLOORING PACKAGES -- SYD. LAYOUT					1866.30 CH
04---SELECTIONS: INTERIOR---						
AK100	BIFOLD DOORS	BEDROOM #1	NI-BIFOLD	4'0"		140.00 CH
AK200	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		140.00 CH
05---FEATURES: EXTERIOR---						
EXK01	DECK FEATURE	OPTIONAL BALCONY				2500.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Jacqueline E. Barlow*
PURCHASER :
DATE : *9-26-93*

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : *Sam Wilson*
SALES REP : *Quinn Eason 9/28/93*
CONST. NO: *9/29/93*

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 *CK*
AMOUNT DUE AT CLOS \$ 7193.81

KHOV034127

BLDG NO: 23 UNIT: C2
MODEL : STM1000-U 700

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-HU A----- DESCRIPTION -----A MODEL SIZE A----- COLOR -----A COMMENTS PRICE

01-----APPLIANCES-----

ATX01	WASTE DISPOSAL	DISPOSAL	QRC29R					130.00	CH
ADW01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500		WHITE	WHITE		340.00	CH
AFK01	REFRIGERATOR	18.2 CF REFRIGERATOR	TRK10D48		WHITE	WHITE		620.00	
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JWH131		BLACK	BLACK		505.00	CH
ARS00	RANGE	STANDARD RANGE	JGC155E		WHITE	WHITE		0.00	
ATX01	DRYER	WASHER/DRYER STACK	VEN2400		WHITE	WHITE		750.00	

02-----CABINETS-----

KL005	KITCHEN CABINETS	NATURAL TANUR						425.00	CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE	POMPEII		0.00	

03-----FLOORING-----

Zone: 01 2ND FLOOR									
	CARPETING	ANNITA	46	35.33	SY	W749	DIAMOND DUST	ECC0101A03	
Zone: 02 1ST FLOOR STAIRS/HALL									
	CARPETING	ANNITA	46	71.67	SY	W749	DIAMOND DUST	ECC0102A03	
Zone: 03 KITCHEN/ENTRY									
	LINOLEUM FLOORING	DESIGNER		14.67	SY	09550		ELC0103A03	

Package includes UPGRADE Padding in carpeted areas

XFS01	FLOORING PACKAGES -- STD. LAYOUT							1866.30	CH
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04-----SELECTIONS: INTERIOR-----

MB000	BIFOLD DOORS	BEDROOM #1	MI-BIFOLD	4'0"				140.00	CH
MB001	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"				140.00	CH

05-----FEATURES: EXTERIOR-----

EDX01	DECK FEATURE	OPTIONAL BALCONY						2500.00	CH
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Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Josephine E. Barlow
PURCHASER : _____
DATE : 9-26-93

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : Joe Williams
SALES MAN : Quinn Fabon 9-28-93
CONST. NUM: 9/29/93

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 *CK*
AMOUNT DUE AT CLOS \$ 7193.81

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,222.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,143.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,385.31
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034130

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)
_____ BUYER(S)

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7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034131

ZZZ

R. HUNNANTIAN BENEVOLENT-URB RENEWAL CORP III

D.S.No : U-22-C2

PROJECT : TW - SOCIETY HILL @ UNIV. HEIGHTS III B3C

Printed: 26-SEP-1993

FLOS NO: 22 UNIT: C2
MODEL : STM1050-U SUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	GEC29R			130.00 <
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE WHITE		340.00 <
APX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX1924S	WHITE WHITE		620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK BLACK		505.00 <
ARS00	RANGE	STANDARD RANGE	JGEC15GE	WHITE WHITE		0.00
AYX01	DRYER	WASHER/DRYER STACK	USM2400	WHITE WHITE		750.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TANOE				425.00 <
KIS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1 WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBP14	46	35.39 SY 8749	DIAMOND DUST ECC0101A03	
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBP14	46	71.67 SY 8749	DIAMOND DUST ECC0102A03	
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		14.67 SY 89650	ELC0103A03	
	Package includes UPGRADE Padding in carpeted areas					
XIS01	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <
04---SELECTIONS: INTERIOR---						
MBU00	KIEFOLD DOORS	BEDROOM #1	M1-BIFOLD	4'0"		140.00 <
MBU01	BIFOLD DOORS	BEDROOM #2	M1-BIFOLD	4'0"		140.00 <
08---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of ^{3%} 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER :	<i>Jacqueline C. Barlow</i>	GRAND TOTAL	\$	7416.30
PURCHASER :		Incl. Mortg. Sel	\$	6046.30
DATE :	<i>9-26-93</i>	AMOUNT DUE NOW	\$	222.49
SALES REP :	<i>Jim Weiss</i>	AMOUNT PAID NOW	\$	222.49 "CK"
SALES HR :	<i>Clayton Fabon 9-28-93</i>	AMOUNT DUE AT CLOS	\$	7193.81
CONST. HR :				

KHOV034132

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JACQUELINE E BARLOW (u) of 17 STECHER STREET
 Tel: Res: (201) 926-6488 NEWARK
 Bus: () - NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.06
 BLDG NO.: 22 , UNIT NO: C2 , MODEL: STH1050-U >UPPER

The PURCHASE PRICE : \$ 91,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	03-SEP-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	03-SEP-1993
	ADDITIONAL DEPOSIT	\$ 1,758.50	BY DATE	03-OCT-1993
	BALANCE at CLOSING	\$ 89,191.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 91,950.00		

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993
 Estimated COMPLETION DATE: 15-DEC-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(SELLER)

9.9.93
 DATE

Jacqueline Barlow 9-3-93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034148



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing, and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of Augustth September, 1993.

Buyer: *Jacqueline Barbo*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Jacqueline Barbo 9-3-93
BUYER DATE

BY: *Wayne* 9.9.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

BUYER DATE

KHOV034152

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNANTAN (NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JACQUELINE E BARLOW (u) of 17 STECHER STREET
Tel: Res: (201) 926-6488 NEWARK
Bus: () NJ 07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.06
BLDG NO.: 22 , UNIT NO: 02 , MODEL: STH1050-U UPPER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

96 CALLAHAN CT.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-SEP-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-SEP-1993
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 03-OCT-1993
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993
Estimated COMPLETION DATE: 15-DEC-1993
BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Jacqueline Barlow 9-3-93

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034161



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Jacqueline Barlow BLDG./UNIT NO: 2207 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 9/3, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER Jacqueline Barlow DATE 9-3-93
BUYER DATE
BUYER DATE
BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034162

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): HAROLD E BECKLES (u) of 10 NORTH HAWTHORNE LANE
 Tel: Res: (201) 484-8645 NEWARK .
 Bus: () - NJ ,07107.

BERNICE A FULLER (u) of 214 WEST MARKET STREET/APT 1
 Tel: Res: (201) 624-0463 NEWARK
 Bus: () - NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.07
 BLDG NO.: 22 , UNIT NO: D1 , MODEL: STH1050-GM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
 Consisting of:
 BASE PRICE of MODEL \$ 61,200.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-OCT-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-OCT-1993
	ADDITIONAL DEPOSIT	\$ 836.00	BY DATE	29-NOV-1993
	BALANCE at CLOSING	\$ 59,364.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 61,200.00		

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29-DEC-1993
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.	<u>Harold E. Beckles 10-30-93</u> (BUYER) DATE
<u>[Signature] 11/1/93</u> (SELLER) DATE	<u>Bernice Fuller 10-30-93</u> (BUYER) DATE
	(BUYER) DATE
	(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034189



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of October, 1993.

Buyer: Harold E. Beckles

Lisa M. Weems

Buyer: Bernice A. Zallen

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Harold E. Beckles 10-30-93
BUYER DATE

Bernice Zallen 10-30-93
BUYER DATE

BY: [Signature] 11/1/93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034193

S U M M A R Y O F B A S I C P R O V I S I O N S

AK

1010

The SELLER: R. HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): HAROLD E BECKLES (u) of 10 NORTH BAWTHORNE LANE
Tel: Res: (201) 484-8645 NEWARK
Bus: () NJ , 07107.

BERNICE A FULLER (u) of 214 WEST MARKET STREET/APT 1
Tel: Res: (201) 624-0463 NEWARK
Bus: () NJ , 07103.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.07
BLDG NO.: 22 , UNIT NO. D1 , MODEL: STH1050-GM >LOWER M.L.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL \$ 61,200.00
102 Callahan Ct

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-OCT-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-OCT-1993
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 29-NOV-1993
BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29 DEC 1993
Estimated COMPLETION DATE: 15 FEB 1994
BY MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Harold E Beckles 10-30-93
(BUYER) DATE
Bernice Fuller 10-30-93
(BUYER) DATE

(SELLER) _____ DATE: _____ (BUYER) _____ DATE: _____

(BUYER) _____ DATE: _____

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr Harold Beckles* BLDG./UNIT NO: *2201* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 10/30, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u><i>Harold E. Beckles</i></u>	<u>10-30-93</u>
BUYER	DATE
<u> <i>x</i> </u>	<u> </u>
BUYER	DATE
<u> </u>	<u> </u>
BUYER	DATE
<u> </u>	<u> </u>
BUYER	DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034202



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Comm. Expires Sept 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: * Jessica P. Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

* Jessica P. Catwell 2/5/94
BUYER DATE

BUYER DATE

BY: [Signature] 2854
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY , 11233.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.0B
BLOC NO.: 22 , UNIT NO: D2 , MODEL: STH050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16 MAR 1994
Estimated COMPLETION DATE: 15-FEB-1994
BY MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Jessica P. Catwell 2/5/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

SUMMARY OF BASIC PROVISIONS

af 1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP I Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JESSICA F CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY 11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.04
BLDG NO.: 23 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.L.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 15-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-JAN-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-FEB-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16-MAR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

1-17-94

x Jessica Catwelle

DATE

1/15/94

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

Switch to 22D2



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified in the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 15th day of January, 1994.

Buyer: * Jessica Catruce

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

* Jessica Catruce 1/15/94
BUYER DATE

BUYER DATE

BY: [Signature] 1-17-94
WAYNE SOULIAN, DIRECTOR OF MARKETING AND SALES DATE



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. J. Catwell* BLDG/UNIT: *23B2* MODEL: STH 1050 UM*
switch
20D2

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/15, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

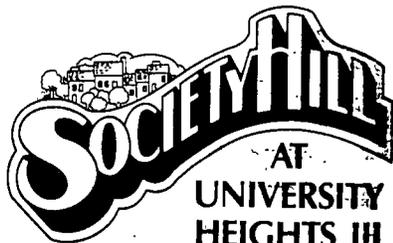
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x *Jessica Catwell* *1/15/94*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034246

SUMMARY OF BASIC PROVISIONS

OK IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): BERTHA REED (u) of 101 DAYTON TERRACE/APT 3A
 Tel: Res: (201) 242-7384 NEWARK
 Bus: (201) 379-9203 NJ ,07114.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.09
 BLDG NO.: 22 , UNIT NO: E1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$ 0.00	ON DATE	20-NOV-1993
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20-NOV-1993
ADDITIONAL DEPOSIT	\$ 11.00	BY DATE	20-DEC-1993
BALANCE at CLOSING	\$ 32,689.00	PAID by	CERTIFIED CHECK

Total PAYMENT	\$ 33,700.00		

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034272



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that onsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 20th day of November, 1993.

Buyer: *Bertha Reed*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Bertha Reed 11/20/93
BUYER DATE

BUYER DATE

BY: *Wayne S. Hoynanian* 11-22-93
WAYNE S. HOVNANIAN DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

ak IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): BERTHA REED of 101 DAYTON TERRACE/APT 3A NEWARK NJ 07114. Tel: Res: (201) 242-7384 Bus: (201) 379-9203

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY.

BLOCK NO: 1406 LOT NO: 22.09 BLDG NO: 22 UNIT NO: E1 MODEL: STH1050-GL LOWER M.L.L.

The PURCHASE PRICE: \$ 33,700.00

Mc Callahan

Table with 4 columns: Item, Description, Amount, Date. Includes rows for INITIAL DEPOSIT, SIGNING CONTRACT, ADDITIONAL DEPOSIT, BALANCE at CLOSING, and Total PAYMENT.

MORTGAGE AMOUNT: \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994 Estimated COMPLETION DATE: 15-FEB-1994

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

Bertha Reed 11/20/93 (BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey

10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

These forms and any... Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required... The BROKER: Landarama, Inc. Attn: H. Michael McGreevey... 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701... Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required...



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Reed* BLDG./UNIT NO: *22E1* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/30, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Bertha Reed 11/20/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034288

SUMMARY OF BASIC PROVISIONS

TC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): EVELYN A. SYKES (u) of 220 12TH AVENUE/2ND FLOOR
 Tel: Res: (201) 621-8573 NEWARK
 Bus: (201) 982-5761 NJ ,07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.10
 BLDG NO.: 22 , UNIT NO: E2 , MODEL: STH1050-UL UPPER M.L. I.

The PURCHASE PRICE : \$ 38,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 38,700.00

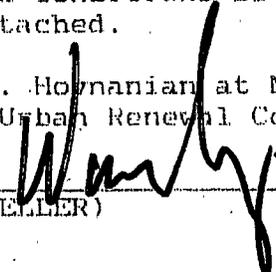
The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-NOV 1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20-NOV-1993
 ADDITIONAL DEPOSIT \$ 161.00 BY DATE 20-DEC-1993
 BALANCE at CLOSING \$ 37,539.00 PAID by CERTIFIED CHECK

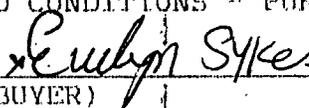
 Total PAYMENT \$ 38,700.00

MORTGAGE AMOUNT : \$ 37,500.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) 11-22-93 DATE

 11-20-93
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights' III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage, title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers' check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to: change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of November, 1993.

Buyer: *Evelyn Sykes*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Evelyn Sykes 11 20 93
BUYER DATE

BY: *Wayne Soojian* 11-22-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

BUYER DATE

KHOV034316

S U M M A R Y O F T E R M S A N D C O N D I T I O N S

ak

The PROJECT: K. HOVNANIAN GENERAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): EVELYN A. SYLKE (W) at 270 LEXI AVENUE 2ND FLOOR
NEWARK NJ 07102
Tel: (201) 641 8977
Fax: (201) 982 5761

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL OFFICE BLDG. 111 EDC
NEWARK, NEW JERSEY.
BLOCK NO: 400 LOT NO: 22.10
BLDG NO: 22 UNIT NO: 22 MODEL: 1111050 DL APPLIC. N.J. 1

The PURCHASE PRICE: \$ 38,700.00
Consisting of:
BASE PRICE of MODEL: \$ 38,700.00 *104 Callahan*

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 20 NOV 1991
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20 NOV 1991
ADDITIONAL DEPOSIT \$ 161.00 BY DATE 20 DEC 1991
BALANCE at CLOSING \$ 37,539.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 38,700.00

MORTGAGE AMOUNT: \$ 27,500.00 MORTGAGE CONTINGENCY DATE: 11 JAN 1992
Estimated COMPLETION DATE: 15 FEB 1992
BY 10% YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark *Evelyn Sylke* 11-20-91
Urban Renewal Corporation III, Inc. (BUYER) DATE

(SOLDER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landanna, Inc.
Attn: R. Michael McCrewey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Sykes* BLDG./UNIT NO: *22E7* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/20, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Evelyn Sykes 11-20-93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034328

JB

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE IRVINGTON NJ 07111. Tel: Res: (201) 373-4179 Bus: (212) 264-5480

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.11 BLDG NO.: 22, UNIT NO: F1, MODEL: STH1150-G >LOWER

The PURCHASE PRICE: \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT: \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Handwritten signatures and dates for BUYER and SELLER, including 8/9/94 and 8/12/94.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

Small print text at the bottom of the page, including a reference to 'KHOV034360'.

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SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE IRVINGTON NJ ,07111. Tel: Res: (201) 373-4179 Bus: (212) 264-5480

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 , LOT NO: 22.11 BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

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MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Handwritten signatures and dates for buyers: Elaine M Ingram 8/9/94, and four blank lines for other buyers.

Handwritten signature and date for seller: 8/12/94

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV034361



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that onsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Elaine M. Dyson*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Elaine M. Dyson 8/9/94
BUYER DATE

BUYER DATE

BY: *Paul* 8/12/94
DATE

KHOV034365

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AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 27

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

8/9/94

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV034378

SUB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Elaine M. Ingram
_____, BUYER

UNIT F1, BUILDING 82, PURCHASE AGREEMENT DATE 8/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Elaine M. Ingram
BUYER _____ DATE _____

BUYER _____ DATE _____

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura Vanvelthoven

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034379

gub

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

8/9/94
DATE

Elaine M Ingram
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

SUB

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE IRVINGTON NJ ,07111. Tel: Res: (201) 373-4179 Bus: (212) 264-5480

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.11 BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G)LOWER

The PURCHASE PRICE : \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Signature of Elaine M Ingram 8/9/94 (BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV034385

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
Tel: Res: (201) 373-7179 IRVINGTON
Bus: (212) 264-5480 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 24
BLDG NO.: 24 , UNIT NO: K1 MO. STH1150-G)LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 08-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 07-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 07-OCT-1994
Estimated COMPLETION DATE: 20-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms
and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT"
attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE
AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS, without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 8th day of August, 1994.

Buyer: *Chaine M. Ingram*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Chaine M. Ingram *8/8/94*
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: _____ DATE _____

SUB

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN GENEARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): ELAINE M INGRAM (W) of 15 WOLF PLACE IRVINGTON NJ 07111. Tel: Res: (201) 373-7179 Mob: (212) 264-5480

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 24.21 BLDG NO: 24 UNIT NO: K1 MODEL: STH1150-G TOWER

The PURCHASE PRICE: \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 08-AUG-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-AUG-1994 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 07-SEP-1994 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT: \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 07-OCT-1994 Estimated COMPLETION DATE: 20-FEB-1993 BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

Elaine M Ingram 8/8/94 (BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

KHOV034393



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Ingram

BLDG/UNIT: 24K1

MODEL: 1150

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/8, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 8/8/94

BUYER _____ DATE _____

BUYER _____ DATE _____

BUYER _____ DATE _____



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034395



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Ingram BLDG/UNIT: 22F1 MODEL: 1150

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/9, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 8/9/94

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034397

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F3

The Purchase Agreement between Claudette V. Ailey BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12/31/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,194.66
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,294.04
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/31/93
DATE

Claudette V. Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV034402

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12/3/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,136.16
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,352.54
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Claudette V Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOBRIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034404

PROJECT : W - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: E2
MODEL : STN150-U 2DP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AUX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSB500	ALMOND	ALMOND	340.00 CM
APX01	REFRIGERATOR	18.2 CF REFRIGERATOR	FBX18DAS	ALMOND	ALMOND	620.00
AP500	RANGE HOOD	STANDARD RANGE HOOD	JK322	ALMOND	ALMOND	0.00
ARS00	RANGE	STANDARD RANGE	J6BC15GE	ALMOND	ALMOND	0.00
WAX02	WASHER	WASHER SUPER CAPACIT	WUABG20R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTR00G7600	WHITE	WHITE	375.00
02---CABINETS---						
KC001	KITCHEN CABINETS	NATURAL LITE				675.00 CM
KIS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	D20-6	NATURAL	ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLOSSAL	45	39.33 SY	G335 FAIRIE DUST	FCC0101A02
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	COLOSSAL	45	75.67 SY	G333 FAIRIE DUST	FCC0102A02
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	G4602	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
AFS01	FLOORING PACKAGES -- STD. LAYOUT					1748.70 CM
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
MS03	BIFOLD DOORS	2ND FLOOR STORAGE	STOBIFOLD	4'0"		0.00
MS04	BIFOLD DOORS	2ND FLOOR LINEN	STOBIFOLD	3'0"		0.00
MBU00	BIFOLD DOORS	LIVING ROOM STORAGE	MI-BIFOLD	4'0"		140.00 CM
MBU02	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"		140.00 CM

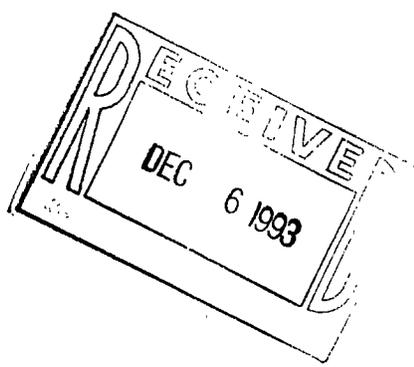
3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Ailey*
PURCHASER : _____
DATE : *12/5/93*

GRAND TOTAL	\$	4538.70
Incl. mortg. Sel	\$	3042.70
AMOUNT DUE NOW	\$	136.16
AMOUNT PAID NOW	\$	136.16 CM
AMOUNT DUE AT CLOS	\$	4402.54

SALES REP : *Jim Weems*
SALES REP : *Clayton Rabon 12-6-93*
CONST. REP : *FR 12-7-93*



KHOV034405

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : STH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND	ALMOND	340.00 <M
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	IBX18DAS	ALMOND	ALMOND	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
ARS00	RANGE	STANDARD RANGE	JGBC15SE	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WWA8620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTR00G7680	WHITE	WHITE	375.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D30-6	NATURAL ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLOSSAL	45	39.33 SY	6333 FAIRIE DUST	ECC0101A02
Zone: 02	1ST FLOOR STAIRS/HALL CARPEYING	COLOSSAL	45	75.67 SY	6333 FAIRIE DUST	ECC0102A02
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64602	ELC0103A02
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STD. LAYOUT					1748.70 <M
04---SELECTIONS: INTERIOR---						
NBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"		140.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		140.00 <M

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Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Ailey*
PURCHASER :
DATE : *12/15/93*

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70

SALES REP : *Jim Weems*
SALES MGR : *Gregory Rabon 12-6-93*
CONST. MGR : *JHR 12-7-93*

AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 'CK'
AMOUNT DUE AT CLOS \$ 4402.54

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 03-DEC-1993

BLOG NO: 22 UNIT: F2
MODEL : STH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND	ALMOND	340.00 <M
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TRX18DAS	ALMOND	ALMOND	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
ARS00	RANGE	STANDARD RANGE	JGBC150E	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WUAB620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDDG7600	WHITE	WHITE	375.00
02---CABINETS---						
KCH01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTRYTOPS	STANDARD COUNTRYTOP	D30-6	NATURAL	ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLOSSAL	45	39.33 SY	6333 FAIRIE DUST	ECC0101A02
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	COLOSSAL	45	75.67 SY	6333 FAIRIE DUST	ECC0102A02
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64602	ELC01G3A02
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1748.70 <M
04---SELECTIONS: INTERIOR---						
NBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"		140.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		140.00 <M

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Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Haley*
PURCHASER :
DATE : *12/15/93*

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70

SALES REP : *Srs. Weems*
SALES MGR : *Gregory Rabon 12-6-93*
CONST. MGR : *12.7.93*

AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 "CK"
AMOUNT DUE AT CLOS \$ 4402.54

BLDG NO: 22 UNIT: F2
 MODEL : STM150-U MP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
 CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	ALMOND ALMOND		340.00 CH
AEK01	REFRIGERATOR	18.2 CF REFRIGERATOR	IBX18DAS	ALMOND ALMOND		620.00
ARS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND ALMOND		0.00
ARS00	RANGE	STANDARD RANGE	JGBC156E	ALMOND ALMOND		0.00
AWK02	WASHER	WASHER SUPER CAPACIT	WMA8630R	WHITE WHITE		500.00
AVK02	DRYER	DRYER 3 CYCLE	ATRO867680	WHITE WHITE		375.00
02---CABINETS---						
KCK01	KITCHEN CABINETS	NATURAL LIVE				675.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	D30-6	NATURAL ALMOND		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLOSSAL	45	39.33 SY	6333 FAIRIE DUST	ECC0101A02
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	COLOSSAL	45	75.67 SY	6333 FAIRIE DUST	ECC0102A02
Zone: 03	KITCHEN LINOLEUM FLOORING	STADSTEP		19 SY	64602	ECC0103A02
Package includes UPGRADE Padding in carpeted areas						
AFS01	FLOORING PACKAGES -- STD. LAYOUT					1748.70 CH
04---SELECTIONS: INTERIOR---						
ABK01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
ABK03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00
ABK04	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00
ABK00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 CH
ABK02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 CH

376

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Hickey*
 PURCHASER : _____
 DATE : *12/15/93*

GRAND TOTAL \$ 4538.70
 Incl. Mortg. Sel \$ 3043.70
 AMOUNT DUE NOW \$ 136.16
 AMOUNT PAID NOW \$ 136.16 'CK'
 AMOUNT DUE AT CLOS \$ 4402.54

SALES REP : *Jim Weems*
 SALES GEN : *Clayton Rabin 12-6-93*
 CONST. NO. : *12-7-93*

PROJECT : 14 - SOCIETY HILL 9 UNIT, WEIGHS III E&C

Printed: 03-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : SM1150-U RHP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILEY
CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	09D509	ALMOND	ALMOND	340.00 CH
AKX01	REFRIGERATOR	18.2 CF REFRIGERATOR	1BX10045	ALMOND	ALMOND	620.00
ARS00	RANGE HOOD	STANDARD RANGE HOOD	JH322	ALMOND	ALMOND	0.00
ARS00	RANGE	STANDARD RANGE	JGBC156E	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	UWAGG30P	WHITE	WHITE	500.00
AWX02	DRYER	DRYER 3 CYCLE	XTRD67680	WHITE	WHITE	375.00
02---CABINETS---						
KC001	KITCHEN CABINETS	NATURAL LITE				675.00 CH
KT600	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D30-6	NATURAL ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLUSSAL	45	39.33 SF	6333 FAIRTA DUST	ECC0101A02
Zone: 02	1ST FLOOR STAIRS/WALL CARPETING	COLUSSAL	45	75.67 SF	6333 FAIRTA DUST	ECC0102A02
Zone: 03	KITCHEN LITOLEUM FLOORING	STAPSTEP		19 SF	64602	ELC0103A02
Package includes UPGRADE Padding in carpeted areas						
KF501	FLOORING PACKAGES -- STD. LAYOUT					1748.70 CH
04---SELECTIONS: INTERIOR---						
MB501	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
MB503	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
MB504	BIFOLD DOORS	2ND FLOOR LIGEN	STDBIFOLD	3'0"		0.00
MB500	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 CH
MB502	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		100.00 CH

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Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : William H. Wiley
PUBLISHER : _____
DATE : 12/15/93

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.20

SALES REP : Jim Weems
SALES REP : Chris R. Rabin 12-6-93
CONST. NUM : JKR 12-7-93

AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 CH
AMOUNT DUE AT CLOS \$ 4402.54

BLDG NO: 22 UNIT: 03
 MODEL : STH1150-01 000

ALL DECORATION SELECTIONS, OPTIONS & UPGRADES ARE

BUYER : AILEY
 CONTRACT DATE: 03-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AD001	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	ALMOND	ALMOND	340.00 CH
AF001	REFRIGERATOR	10.2 CF REFRIGERATOR	FBX100AS	ALMOND	ALMOND	620.00
AN500	RANGE HOOD	STANDARD RANGE HOOD	JN22	ALMOND	ALMOND	0.00
AR200	RANGE	STANDARD RANGE	300C158E	ALMOND	ALMOND	0.00
AW002	WASHER	WASHER 300CF CAPACITY	W000200	WHITE	WHITE	500.00
AY002	DRYER	DRYER 3 CYCLE	Y0002700	WHITE	WHITE	375.00
02---CABINETS---						
BC001	KITCHEN CABINETS	NATURAL LITE				675.00 CH
BT000	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		030-6	NATURAL ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLLUSAL	45	39.23 SF	6333 FAIRIE DUST	ELC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	COLLUSAL	45	75.67 SF	6333 FAIRIE DUST	ELC0103A03
Zone: 03	KITCHEN LITHOLUX FLOORING	STADSTEP		19 SF	64002	ELC0103A02
Package includes UPGRADE padding in carpeted areas						
XP001	FLOORING PACKAGES -- STD. LAYOUT					1748.70 CH
04---SELECTIONS: INTERIOR---						
DB001	BIFOLD DOORS	MASTER BEDROOM	ST0 BIFOLD	4'0"		0.00
DB003	BIFOLD DOORS	2ND FLOOR STORAGE	ST0 BIFOLD	4'0"		0.00
DB005	BIFOLD DOORS	2ND FLOOR LHM	ST0 BIFOLD	3'0"		0.00
DB006	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 CH
DB002	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
 PURCHASER :
 DATE : *[Signature]*
 SALES REP : *[Signature]*
 SALES REP :
 CONST. REP : *[Signature]*

GRAND TOTAL	\$	8538.70
Incl. Mortg. Sel	\$	3048.70
AMOUNT DUE NOW	\$	136.16
AMOUNT PAID NOW	\$	135.16 CH
AMOUNT DUE AT CLOS	\$	4402.54

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): CLAUDETTE V AILEY (M) of 1411 GRAND CONCOURSE/APT 2D BRONX NY ,10452. Tel: Res: (718) 588-4570 Bus: (212) 876-8000

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 , LOT NO: 22.12 BLDG NO.: 22 , UNIT NO: F2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00 Consisting of: BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-DEC-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-DEC-1993 ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 02-JAN-1994 BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 01-FEB-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Claudette V Ailey 12/13/93 (BUYER) DATE

(BUYER) DATE

(SELLER) 12-10-93 DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV034434



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of December, 1993.

Buyer: *Claudette V Ailey*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Claudette V Ailey *12/3/93*
BUYER DATE

BUYER _____ DATE _____

BY: *Wayne Soojian* *12-10-93*
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034438

SUMMARY OF BASIC PROVISIONS

1010

ak

The SELLER: R. HOVNANIAN NEWARK URB RENEWAL CORP (Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): CLAUDETTE V AILEY (M) of 1411 GRAND CONCOURSE/APT 2D
Tel: Res: (718) 588-4570 BRONX
Bus: (212) 876-8000 NY ,10452.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ETC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.12
BLDG NO.: 22 , UNIT NO: F2 , MODEL: SM1150-U SUPPER

The PURCHASE PRICE : \$101,950.00
Consisting of: *108 Callahan Ct.*
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	03-DEC-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	03 DEC 1993
	ADDITIONAL DEPOSIT	\$ 2,058.50	BY DATE	02-JAN-1994
	BALANCE at CLOSING	\$ 98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00
MORTGAGE CONTINGENCY DATE: 01 FEB-1994
Estimated COMPLETION DATE: 15 FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Claudette V Ailey 12/3/93
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Ailey BLDG./UNIT NO: 22F2 MODEL NO: 1150

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/3, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

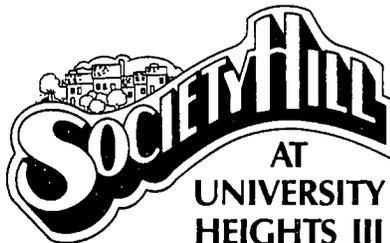
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Claudette V Ailey 12/3/93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034442

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jacqueline A. Shervington

_____, BUYER

UNIT G1, BUILDING 22, PURCHASE AGREEMENT DATE 02-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

X Jacqueline A. Shervington 11/6/93
BUYER DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF SALES AND MARKETING

KHOV034447

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: G1

The Purchase Agreement between Jaqueline A. Shervington BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11-2-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,681.16
- 2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3170.43
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,510.73
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,866.16.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/10/93
DATE

Jaqueline A. Shervington
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034449

XYZ

K.HOVNANIAN ONELARK-UPR RENEWAL CORP III

D.S.No : IW-22-61

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E3C

Printed: 17-NOV-1993

BLDG NO: 24 UNIT: G1
MODEL : STM1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

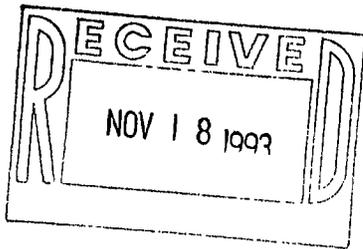
SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADY01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND ALMOND		340.00 CM
AMS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND ALMOND		0.00 CM
ARS00	RANGE	STANDARD RANGE	J5BC15GE	ALMOND ALMOND		0.00 CM
AWX01	WASHER	WASHER LG CAPACITY	WVA5600	WHITE WHITE		470.00 CM
AYX01	DRYER	DRYER 4 CYCLE	XTRDUG5980	WHITE WHITE		345.00 CM
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 CM
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6 NEUTRAL GLACE		0.00 CM
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	VERSAILITY	26	60.0 SY	G211 MELLOW BEIGE	ECC0101A00
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	VERSAILITY	26	78.0 SY	G211 MELLOW BEIGE	ECC0102A00
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CAMBREY		17.67 SY	G8505	ELC0103A00
Package includes UPGRADE Padding in carpeted areas						
XF501	FLOORING PACKAGES -- STANDARD LAYOUT					576.16 CM
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 CM
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 CM
MSS01	SLIDER DOORS	WSTR BR STD SLIDER	STD SLIDER	3'0"		0.00 CM
MSS02	SLIDER DOORS	BR #1 STD SLIDER	STD SLIDER	4'0"		0.00 CM

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
 PURCHASER: *[Signature]*
 DATE: 11-17-93
 SALES REP: *[Signature]*
 SALES MGR: *[Signature]* 11/17/93
 CONST. MGR: *[Signature]* 11-26-93

GRAND TOTAL \$ 1731.16
 Incl. Mortg. Sel \$ 1731.16
 AMOUNT DUE NOW \$ 51.93
 AMOUNT PAID NOW \$ 51.93 'CK'
 AMOUNT DUE AT CLOS \$ 1679.23

51.93
[Signature]



KHOV034450

777

K. HOVNANIAN CHEVROLET-IMP RENEWAL CORP III

D.S.No : 14-24-01

PROJECT : 10 - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 17-NOV-1993

BLDG NO: 01 UNIT: 01
MODEL : STH1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

SELECTION-NO	A	DESCRIPTION	A	MODEL	SIZE	A	COLOR	A	COMMENTS	PRICE
01---APPLIANCES---										
ANX01		DISHWASHER		151 LEVEL 3 CYCLE	GB0500		ALMOND		ALMOND	340.00
AMS00		RANGE HOOD		STANDARD RANGE HOOD	UN322		ALMOND		ALMOND	0.00
ARS00		RANGE		STANDARD RANGE	950159E		ALMOND		ALMOND	0.00
AWX01		WASHER		WASHER LG CAPACITY	2445600		WHITE		WHITE	470.00
AWX01		DRYER		DRYER 4 CYCLE	XTRDUG5980		WHITE		WHITE	345.00
02---CABINETS---										
KCS00		KITCHEN CABINETS		ALTON III E						0.00
KTS00		KITCHEN COUNTERTOPS		STANDARD COUNTERTOP		4143-6	NEUTRAL		GLACE	0.00
03---FLOORING---										
Zone: 01		2ND FLOOR CARPETING		VERSATILITY	26	60.0 SY	6211		MELLOW BEIGE	ECC0101400
Zone: 02		1ST FLOOR STAIRS/HALL CARPETING		VERSATILITY	26	78.0 SY	6211		MELLOW BEIGE	ECC0103A00
Zone: 03		KITCHEN/ENTRY LINOLEUM FLOORING		CAMPBAY		17.67 SY	68505			ELC0103A00
Package includes UPGRADE Padding in carpeted areas										
XFS01		FLOORING PACKAGES -- STANDARD LAYOUT								576.16
04---SELECTIONS: INTERIOR---										
NBS01		BIFOLD DOORS		DR, LEFT SID BIFOLD	STD BIFOLD	3'0"				0.00
NBS02		BIFOLD DOORS		DR, RIGHT SID BIFOLD	STD BIFOLD	3'0"				0.00
NSS01		SLIDER DOORS		MSTR BR SID SLIDER	STD SLIDER	3'0"				0.00
NSS02		SLIDER DOORS		EX #1 STD SLIDER	STD SLIDER	4'0"				0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>[Signature]</i>	GRAND TOTAL	\$	1731.16
PURCHASER: <i>[Signature]</i>	Incl. Mortg. Sel	\$	1731.16
DATE: 11-17-93	AMOUNT DUE NOW	\$	51.93
SALE REP: <i>[Signature]</i>	AMOUNT PAID NOW	\$	51.93 'CK'
SALES #GR: <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	1679.23
CONST. #GR: <i>[Signature]</i>			

51.93
AS

KHOV034451

YZZ

K. HOVNANIAN FURNITURE & APPL. GENERAL CORP III
PROJECT : TW - SOCIETY HILL C UNIV. HEIGHTS III E&C

D.S.No : TW-24-61
Printed: 17-NOV-1993

BLDG NO: 02 UNIT: 01
MODEL : STH1330-G >LO

*** DECORATION SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	DISHWASHER	1ST LEVEL 3 CYCLE	GB0500	ALMOND	ALMOND	340.00
ANS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
ANS00	RANGE	STANDARD RANGE	590156E	ALMOND	ALMOND	0.00
AWX01	WASHER	WASHER LG CAPACITY	WWS600	WHITE	WHITE	470.00
AWX01	DRYER	DRYER 4 CYCLE	XTRDUG5980	WHITE	WHITE	345.00
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALUM LITE				0.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLACE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	VERSAILITY	26	60.0 SY	6211 MELLOW BEIGE	ECC0101400
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	VERSAILITY	36	70.0 SY	6211 MELLOW BEIGE	ECC0102A00
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CANBRAY		17.67 SY	68505	ELC0103A00
Package includes UPGRADE Padding in carpeted areas						
XLS01	FLOORING PACKAGES -- STANDARD LAYOUT					576.16
04---SELECTIONS: INTERIOR---						
MS001	BIFOLD DOORS	DR, LEFT SID BIFOLD	STD BIFOLD	3'0"		0.00
MS002	BIFOLD DOORS	DR, RIGHT SID BIFOLD	STD BIFOLD	3'0"		0.00
MS001	SLIDER DOORS	MSR BR SID SLIDER	SID SLIDER	3'0"		0.00
MS002	SLIDER DOORS	BR #1 STD SLIDER	STD SLIDER	4'0"		0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>[Signature]</i>	GRAND TOTAL \$	1731.16
PURCHASER: <i>[Signature]</i>	Incl. Mortg. Sel \$	1731.16
DATE: 11-17-93	AMOUNT DUE NOW \$	51.93
SALE REP: <i>[Signature]</i>	AMOUNT PAID NOW \$	51.93 'OK'
SALES MGR: <i>[Signature]</i>	AMOUNT DUE AT CLOS \$	1679.23
CONST. MGR: <i>[Signature]</i>		

51.93
[Signature]

KHOV034452

XYZ

K. HOVNANIAN COUNTERTOP RENEWAL CORP III
PROJECT : IN - SOCIETY HILL C UNIV. HEIGHTS III EAC

D.S.No : IN-22-01
Printed: 17-NOV-1993

BLDG NO: 01 UNIT: G1
MODEL : STM1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERWINGTON
CONTRACT DATE: 02-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AXX01	DISHWASHER	1ST LEVEL 3 CYCLE	GB5500	ALMOND	ALMOND	340.00
AKS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
AKS00	RANGE	STANDARD RANGE	JN9E15SE	ALMOND	ALMOND	0.00
AWX01	WASHER	WASHER LG CAPACITY	WMA5600	WHITE	WHITE	470.00
AWX01	DRYER	DRYER 4 CYCLE	XTRDDG5980	WHITE	WHITE	345.00
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00
KCS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLAZE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	VERSAILITY	26	60.0 SY	6211 MELLOW BEIGE	ECC0101A00
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	VERSAILITY	26	79.0 SY	6211 MELLOW BEIGE	ECC0103A00
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CAMBAY		17.67 SY	69505	ELC0103A00
	Package includes UPGRADE Padding in carpeted areas					
XFS01	FLOORING PACKAGES -- STANDARD LAYOUT					576.16
01---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT SID BIFOLD	STD BIFOLD	3'0"		0.00
MBS02	BIFOLD DOORS	DR, RIGHT SID BIFOLD	STD BIFOLD	3'0"		0.00
MSS01	SLIDER DOORS	MSTR BR SID SLIDER	STD SLIDER	3'0"		0.00
MSS02	SLIDER DOORS	BR #1 STD SLIDER	STD SLIDER	4'0"		0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>[Signature]</i>	GRAND TOTAL	\$	1731.16
PURCHASER: <i>[Signature]</i>	Incl. Mortg. Sel	\$	1731.16
DATE: 11-17-93	AMOUNT DUE NOW	\$	51.93
SALES REP: <i>[Signature]</i>	AMOUNT PAID NOW	\$	51.93 'CR'
SALES REP: <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	1679.23
CONST. REP: <i>[Signature]</i>			

51-93
[Signature]

KHOV034453



KHOVANTIAN DEVELOPMENT GENERAL CORP III
PROJECT : 10 - SUDNEY HILL 2 UNIT, HEIGHTS III E30

P.S.No : 10-28-71
Printed: 17-11-1993

MODEL NO: 11 UNIT: 01
MODEL : STH1330-G 3LD

*** BIDDING SELECTIONS, OPTIONS & UPGRADES ***

PURCH : SHEPHERDTON
CONTRACT DATE: 05-Nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AW001	DISHWASHER	1ST LEVEL 3 CYCLE	660500	ALMOND	ALMOND	340.00
AW002	RANGE HOOD	STANDARD RANGE HOOD	INSEE	ALMOND	ALMOND	0.00
AW003	RANGE	STANDARD RANGE	517500	ALMOND	ALMOND	1.00
AW004	WASHER	WASHER LG CAPACITY	115500	WHITE	WHITE	170.00
AW005	RYER	RYER 4 CYCLE	118005000	WHITE	WHITE	345.00
02---CABINETS---						
K1000	KITCHEN CABINETS	ALUM LITE				0.00
K1005	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLAZE	0.00
03---FLOORING---						
Zone: 01 2ND FLOOR CORRIDORS						
	CORRIDORS	VERSAILITE	36	66.0 SQ	6211	HELLOR BEIGE ELC0101400
Zone: 02 1ST FLOOR STAIRS/HALL						
	CORRIDORS	VERSAILITE	36	70.0 SQ	6211	HELLOR BEIGE ELC0103400
Zone: 03 KITCHEN/ENTRY						
	INTEGRAL FLOORING	SANDEWAY		17.67 SQ	68505	ELC0103400
Package includes UPGRADE Padding in carpeted areas						
AW001	FLOORING PACKAGES -- STANDARD LAYOUT					570.16
04---SELECTIONS: INTERIOR---						
MS001	PICCOLO DOORS	DR, LEFT SID PICCOLO	STD BIFOLD 3'0"			0.00
MS002	PICCOLO DOORS	DR, RIGHT SID PICCOLO	STD BIFOLD 3'0"			0.00
MS003	SLIDER DOORS	DR BR SID SLIDER	STD SLIDER 3'0"			0.00
MS004	SLIDER DOORS	DR #1 SID SLIDER	STD SLIDER 4'0"			0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and not be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
 PURCHASE DATE: 11-17-93
 SALES REP: *[Signature]*
 SALES REP: Alison Fabon 11/17/93
 CONTRACT NO:

GRAND TOTAL	1	1721.16
Incl. Pertg. Sel	1	1721.16
AMOUNT DUE NOW	1	51.94
AMOUNT PAID NOW	1	51.93
AMOUNT DUE AT CLOS	1	1579.23

[Signature]
51-113

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JACQUELINE A SHERVINGTON (u) of 62-25 WOODHAVEN BLVD., #2A
Tel: Res: (718) 565-8537 REGO PK.
Bus: (212) 264-4439 NY ,11374.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.13
BLDG NO.: 22 , UNIT NO: G1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 02-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 02-NOV-1993
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-DEC-1993
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,850.00 MORTGAGE CONTINGENCY DATE: 01-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
(SELLER) DATE

(BUYER) DATE 11/2/93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034477

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all change costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C.F.R. Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2 day of Nov, 1993.

Joseph J. Hanley
Buyer:

Buyer: [Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 11/2/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature]
WAYNE SOGHIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOVC34481

RESUMMARY OF BASIC PROVISIONS

OK

The SELLER: K. HOVNIANIAN (NEWARK) URBAN RENOVATION CORP. Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701

The BUYER(S): JACQUELINE A. SHEEVINGTON (u) ST 62-25 WOODHAVEN BLVD. #2A
 REGO PK.
 NY 11374
 Tel: Res: (718) 564-8437
 BUS: (212) 364-4439

Will occupy the Premises as a Primary Residence upon closing of title

The PROPERTY: PROJECT: SOCIETY HILL @ UNITV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 UNIT NO: 22.1A
 MODEL: SPHERO 303 FLOWER

The PURCHASE PRICE: \$103,950.00
 Consisting of:
 BASIC PRICE of MODEL: \$103,950.00

114 Callahan Ct.

The PAYMENT TERMS:

INITIAL DEPOSIT	\$	0.00	ON DATE	02 NOV 1994
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	02 NOV 1994
ADDITIONAL DEPOSIT	\$	2,118.50	BY DATE	02 DEC 1994
BALANCE at CLOSING	\$	100,831.50	PAID by	CERTIFIED CHECK
Total PAYMENT		\$103,950.00		

MORTGAGE AMOUNT: \$100,831.50
 MORTGAGE CONTINGENCY DATE: 01 JAN 1994
 Estimated COMPLETION DATE: 15 FEB 1994
 BY MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark
 Urban Renewal Corporation III, Inc.

X *Signature*
 (BUYER) _____ DATE _____

(SELLER) _____ DATE _____

(BUYER) _____ DATE _____

(BUYER) _____ DATE _____

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landorama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: 2261 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Nov 2, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 11/2/93
BUYER _____ DATE _____
BUYER _____ DATE _____
BUYER _____ DATE _____



KHOV034499

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 62

The Purchase Agreement between Belita Watson BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 08-NOV-1993.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 111,538.31
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3346.15
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 108,192.16
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 111,538.31

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/7/93
DATE

Belita Watson
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV034504

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

AK

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Belita Watson

_____, BUYER

UNIT G2, BUILDING 22, PURCHASE AGREEMENT DATE 08-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Belita Watson 12/7/93
BUYER DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY:

Wayne Soojian
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV034505

772

K. J. DONNANIAN @NEWARK-URB RENEVAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: 02
MODEL : SH1330-0 SUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	6SD500	ALMOND	ALMOND	340.00 <M
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 <M
AKS00	RANGE	STANDARD RANGE	JGDC15GE	ALMOND	ALMOND	0.00 <M
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 <M
KTSC0	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1743-1	ROSE POMPEII		0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	ANNIHILATOR	27	61.67 SY	3286 SHAKER RED	ECC0101A01
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	ANNIHILATOR	27	85.67 SY	3286 SHAKER RED	ECC0103A01
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	CANRAY	17.67 SY	68441		FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
KIS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 <M
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MSS01	SLIDER DOORS	MSTR RR STD SLIDER	STD SLIDER	3'0"		0.00 <M
MSS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <M
MSS03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER	4'0"		0.00 <M

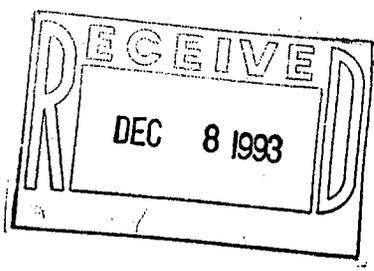
Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delita Waters*
PURCHASER: _____
DATE: *12-7-93*

SALES REP: *J. Hawley*
SALES REP: _____
CONST. NBR: *12-16-93*

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"
AMOUNT DUE AT CLOS \$ 1540.66

47.65
x BW



KHOV034506

ZZZ

KHOVNANIAN @NEWARK-URB RENEWAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: G2
MODEL : STH1330-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	G5D500	ALMOND	ALMOND	340.00 <M
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	ALMOND	ALMOND	0.00 <M
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POMPEII	0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	61.67 SY	3286 SHAKER RED	FCC0101A01
Zone: 02	1ST FLOOR STAIR/HALL CARPETING	ANNIHILATOR	27	85.67 SY	3286 SHAKER RED	FCC0102A01
Zone: 03	KITCHEN/ENTRY LINDLEUM FLOORING	CANBRAY		17.67 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 <M
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MSS01	SLIDER DOORS	MSTR BR STD SLIDER	STD SLIDER	3'0"		0.00 <M
MSS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <M
MSS03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER	4'0"		0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *William Watson*
 PURCHASER: _____
 DATE: *12-7-93*
 SALES REP: *J. Hawley*
 SALES MGR: *Alison Rapp* 12-8-93
 CONST. MGR: *12-16-93*

GRAND TOTAL \$ 1588.31
 Incl. Mortg. Sel \$ 1588.31
 AMOUNT DUE NOW \$ 47.65
 AMOUNT PAID NOW \$ 47.65 "CK"
 AMOUNT DUE AT CLOS \$ 1540.66

47.65
 x *EW*

KHOV034507

222

K. HOVNANIAN @ NEWARK-URB RENEWAL CORP III

U.S.No : IV-23-G3

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III EAC

Printed: 07-DEC-1993

BLDG NO: 32 UNIT: 62
MODEL : STH1330-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND ALMOND		340.00 <M
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JR322	ALMOND ALMOND		0.00 <M
AKS00	RANGE	STANDARD RANGE	JGBC15QE	ALMOND ALMOND		0.00 <M
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1 ROSE POMPEII		0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	ANNIHILATOR	27	61.67 SY 3286	SHAKER RED	ECC0101A01
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	ANNIHILATOR	27	85.67 SY 3286	SHAKER RED	ECC0102A01
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	CANBRAY		17.67 SY 68441		ELC0103A00
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 <M
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD 3'0"			0.00 <M
MS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD 3'0"			0.00 <M
MS01	SLIDER DOORS	HSTR BR STD SLIDER	STD SLIDER 3'0"			0.00 <M
MS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER 4'0"			0.00 <M
MS03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER 4'0"			0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delia Waters*
 PURCHASER: _____
 DATE: *12-7-93*
 SALES REP: *J. Hawley*
 SALES MGR: *Debra Rapp* 12-8-93
 CONST. MGR: *12-16-93*

GRAND TOTAL \$ 1588.31
 Incl. Mortg. Sel \$ 1588.31
 AMOUNT DUE NOW \$ 47.65
 AMOUNT PAID NOW \$ 47.65 *CK*
 AMOUNT DUE AT CLOS \$ 1540.66

47.65
 CK
BW

KHOV034508

ZXX

KHOVNAHIAN ONEWARK-URB RENEVAL CORP III

U.S.No : TU-22-02

PROJECT : TU - SOCIETY HILL & UNIV. HEIGHTS III EAC

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: G2
MODEL : STN1330-U DUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKS01	DISHWASHER	16Y LEVEL 3 CYCLE	050500	ALMOND	ALMOND	340.00 CH
AKS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 CH
AKS00	RANGE	STANDARD RANGE	180C150E	ALMOND	ALMOND	0.00 CH
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POMPEII	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	61.67 SY	3286 SHAKER RED	ECC0101A01
Zone: 02	1ST FLOOR STAIR/HALL CARPETING	ANNIHILATOR	27	85.67 SY	3286 SHAKER RED	ECC0102A01
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CANBRAY		17.67 SY	68441	ELC0103A00
Package includes UPGRADE padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 CH
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH
MSB01	SLIDER DOORS	HSTR BR STD SLIDER	STD SLIDER	3'0"		0.00 CH
MSB02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 CH
MSB03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER	4'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delita Hales*
PURCHASER: _____
DATE: 12-7-93

SALES REP: *J. Hawley*
SALES MGR: *Alison Rapp* 12-8-93
CONST. MGR: *17-16-93*

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 *CK*
AMOUNT DUE AT CLOS ? 1540.66

47.65
EW

KHOV034509

BLDG NO: 22 UNIT 02
MODEL : 57H1330-0 DUP

*** DECORATION SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKR01	DISHWASHER	1ST LEVEL 3 CYCLE	650900	ALMOND	ALMOND	380.00 CH
AKS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 CH
AKR00	RANGE	STANDARD RANGE	JGRC150E	ALMOND	ALMOND	0.00 CH
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POWELL	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	ANNIHILATOR	27	61.67 SY	3286 SHAKER RED	FCC0101A01
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	ANNIHILATOR	27	85.67 SY	3286 SHAKER RED	FCC0103A01
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	CAMBRAY		17.67 SY	69441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 CH
04---SELECTIONS: INTERIOR---						
MS01	WIPED DOORS	DR. LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH
MS02	BIFOLD DOORS	DR. RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH
MS01	SLIDER DOORS	HTD BR STD SLIDER	STD SLIDER	3'0"		0.00 CH
MS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 CH
MS03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER	4'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: Delita Naba
 PURCHASER: _____
 DATE: 12-7-93
 SALES REP: J. Hawley
 SALES REP: _____
 SALES NO: 13-8-93
 COUN. NO: 17-16-93

GRAND TOTAL \$ 1588.31
 Incl. Mortg. Sel \$ 1888.31
 AMOUNT DUE NOW \$ 47.65
 AMOUNT PAID NOW \$ 47.65 "CK"
 AMOUNT DUE AT CLS \$ 1540.66

47.65
BW

ALABAMA HOMEWORK-USED RENEWAL CORP III
PROJECT : 10 - SOCIETY HILL @ UNIV. HEIGHTS T11 BAC

U.S. No : 10-22-02
Printed: 07-DEC-1993

FORM NO: 32 UNIT: 02
MODEL : 5711330-0 SUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : WATSON
CONTRACT DATE: 08-Nov-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE	
01---APPLIANCES---							
AW501	DISHWASHER	1ST LEVEL 3 CYCLE	050500	ALMOND	ALMOND	380.00 CH	
AW500	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 CH	
AW500	RANGE	STANDARD RANGE	100C150E	ALMOND	ALMOND	0.00 CH	
02---CABINETS---							
KC500	KITCHEN CABINETS	ALYON LITE				0.00 CH	
KT500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POMPEII	0.00 CH	
03---FLOORING---							
Zone: 01	2ND FLOOR						
	CARPETING	ANNIHLATOR	27	61.67 SY	3386	SHAKER RED	ECC0101A01
Zone: 02	1ST FLOOR STAIR/HALL						
	CARPETING	ANNIHLATOR	27	85.67 SY	3386	SHAKER RED	ECC0102A01
Zone: 03	KITCHEN/ENTRY						
	LINOLEUM FLOORING	CANBRAY		17.67 SY	68441		E1C0103A05
	Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STANDARD LAYOUT					1248.31 CH	
04---SELECTIONS: INTERIOR---							
NS501	BIFOLD DOORS	RR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH	
NS502	BIFOLD DOORS	RR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 CH	
NS501	SLIDER DOORS	RR 18 STD SLIDER	STD SLIDER	3'0"		0.00 CH	
NS502	SLIDER DOORS	RR 42 STD SLIDER	STD SLIDER	4'0"		0.00 CH	
NS503	SLIDER DOORS	RR 43 STD SLIDER	STD SLIDER	4'0"		0.00 CH	

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *William Watson*
PURCHASER: _____
DATE: *12-7-93*

SALES REP: *J. Stanley*
SALES REP: _____
CONST. REP: *William Watson* 12-8-93

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CR"
AMOUNT DUE AT CLOS \$ 1540.66

47.65
EW

MR. J. J. JAMES JR
HOME : 541-337-00

AAA DECORATION SELECTIONS, OPTIONS & UPGRADES AAA

ORDER : 021900
CONTRACT DATE: 02-Nov-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AW001	DISHWASHER	1ST LEVEL 3 PIECE	950500	ALMOND	ALMOND	349.00
AW500	RANGE HOOD	STANDARD RANGE HOOD	JN502	ALMOND	ALMOND	0.00
AW000	RANGE	STANDARD RANGE	19M150E	ALMOND	ALMOND	0.00
02---CABINETS---						
WC000	KITCHEN CABINETS	ACTION LINE				0.00
WC500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POMPEII	0.00
03---FLOORING---						
Zone: 01 01E FLOOR						
	CARPETING	AMPHILATOR	37	61.67 SY	3226 SHAKER RED	8000101A01
Zone: 02 1ST FLOOR STAIR HALL						
	CARPETING	AMPHILATOR	37	80.67 SY	3226 SHAKER RED	8000102A01
Zone: 03 KITCHEN/ENTRY						
	LINOLEUM FLOORING	CAMPZAY		17.67 SY	08441	8000103A00
Package includes UPGRADE Padding in carpeted areas						
W551	SLEEPING PACKAGES -- STANDARD LAYOUT					1349.31
04---SELECTIONS: INTERIOR---						
MS001	BIULD DOORS	DR, LEFT STD BICOLD	STD BICOLD	3'0"		0.00
MS002	BIULD DOORS	DR, RIGHT STD BICOLD	STD BICOLD	3'0"		0.00
MS001	SLIDER DOORS	DR #1 STD SLIDER	STD SLIDER	3'0"		0.00
MS002	SLIDER DOORS	DR #2 STD SLIDER	STD SLIDER	4'0"		0.00
MS003	SLIDER DOORS	DR #3 STD SLIDER	STD SLIDER	4'0"		0.00

Please check this form for correct descriptions, including color, model number & details. All selections must be complete and may be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *John Waters*
 PURCHASER: _____
 DATE: 12-7-93
 SALES REP: *J. Hawley*
 SALES REP: *Alexander Rabin* 12-8-93
 CONST. REP: _____

GRAND TOTAL \$ 1589.31
 Incl. Portg. Sel \$ 1589.31
 AMOUNT DUE NOW \$ 47.65
 AMOUNT PAID NOW \$ 47.65
 AMOUNT DUE AT CLOS \$ 1541.66

47.65
x BW

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (W) of 95 SCHUYLER AVE. NEWARK NJ 07112. Tel: Res: (201) 923-2380 Bus: (201) 268-3741

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 , LOT NO: 22.14 BLDG NO.: 22 , UNIT NO: G2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993 BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

X Belita Watson 12/18/93 (BUYER) DATE

(SELLER) [Signature] 12-23-93 DATE

(BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEED AND TERMINATE THE PREVIOUS ONE FOR #22-G2 DATED NOV-08-1993.

X [Signature]

KHOV034523



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18 day of Dec, 1993.

Buyer: *Belita Watson*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Belita Watson 12/18/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: *Wayne Soojian* 12-23-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034527

SUMMARY OF BASIC PROVISIONS

Ch

The SELLER: K. HOVNIAN URBAN RENOVATION CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY, 07701.

The BUYER(S): BELITA WATSON (W) of 95 SCHUYLER AVE.
NEWARK
NJ, 07112.
Tel: New: (201) 923-2000
Bus: (201) 260-3741

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.14
BLDG NO.: 22 , UNIT NO: G2 , MODEL: ST11330-0 UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS
INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993
BALANCE at CLOSING \$106,651.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark
Urban Renovation Corporation III, Inc.

Belita Watson 12/18/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEED AND TERMINATE THE PREVIOUS ONE FOR #22-G2 DATED NOV-08-1993.

x BW

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): BELITA WATSON (u) of 95 SCHUYLER AVE.
 Tel: Res: (201) 923-2380 NEWARK
 Bus: (201) 268-3741 NJ ,07112.

WALTER JR WATSON (M) of 5 JENNIFER LANE
 Tel: Res: (201) 761-1803 MAPLEWOOD
 Bus: (201) 733-6070 NJ ,07040.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.14
 BLDG NO.: 22 , UNIT NO: G2 , MODEL: STH1330-U UPPER

112 Callahan Ct.

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	08-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	08-NOV-1993
	ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	08-DEC-1993
	BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$109,950.00		

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Belita Watson 11-8/93
 (BUYER) DATE
Walter Watson Jr 11-8-93
 (BUYER) DATE

(SELLER)	DATE	(BUYER)	DATE
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: WATSON BLDG./UNIT NO: 2262 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11-8-93, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

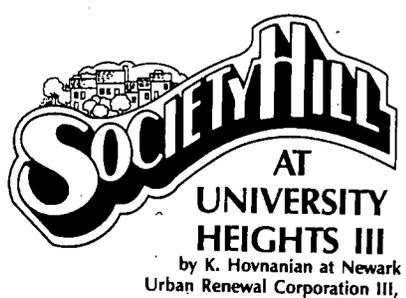
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Delita Starna 11/8/93 BUYER DATE

X William Watson Jr. 11/8/93 BUYER DATE

BUYER DATE

BUYER DATE



KHOV034547

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (u) of 95 SCHUYLER AVE. NEWARK NJ 07112. Tel: Res: (201) 923-2380 Bus: (201) 268-3741

WALTER JR WATSON (M) of 5 JENNIFER LANE MAPLEWOOD NJ 07040. Tel: Res: (201) 761-1803 Bus: (201) 733-6070

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.14 BLDG NO.: 22 UNIT NO: G2 MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993 BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

(SELLER) [Signature] 11/11/93 DATE

[Signature] 11/8/93 DATE (BUYER) [Signature] 11-8-93 DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, Box 500 Red Bank, NJ 07701

REFER TO NEW CONTRACT

KHOV034549



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 8 day of Nov, 1993.

Buyer: X Belita Matos

Joseph J. Hanley

Buyer: X Wilma Matos

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Belita Matos 11/8/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X Wilma Matos 11-8-93
BUYER DATE

BY: Wayne Soojian 11-11-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034553

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Willie R. Sinclair

Gloria Sinclair

_____, Buyer.

UNIT: H1 BLDG.: 32 PURCHASE AGREEMENT DATE: 4/2/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 4,500.00.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/2/94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 4-9-94

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Sara Weems

"BUYER"

x Willie R. Sinclair
x Gloria Sinclair

KHOV034556

777

K. HUNGARIAN BENEVOLENT ASSOCIATION

INS. No : 14-22-41

PROJECT : 14 - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 16-APR-1994

BLDG NO: 22 UNIT: M1
MODEL : 5TH1399-B XLO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ASX01	WASTE DISPOSAL	DISPOSAL	GFC23R			130.00
ADX02	DISHWASHER	UPGRADE 4 CYCLE	BSD940	BLACK	BLACK	465.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE	805.00
ARS00	RANGE HOOD	STANDARD RANGE HOOD	JH322	WHITE	WHITE	0.00
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AWX01	WASHER	WASHER LG CAPACITY	WMA5600	WHITE	WHITE	450.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDD5980	WHITE	WHITE	355.00
02---CABINETS---						
KCX05	KITCHEN CABINETS	NATURAL TANOE				555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	CRYSTAL VALLEY	48	60.0 SY	6773	CANDLESCENT FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773	CANDLESCENT FCC0102A04
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	DESIGNER		17.67 SY	89050	FLC0103A03
Package includes UPGRADE Padding in carpeted areas						
XFR01	FLOORING PACKAGES -- STANDARD LAYOUT					2541.00 CM
04---SELECTIONS: INTERIOR---						
MBU01	BIFOLD DOORS	BR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MBU02	BIFOLD DOORS	BR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MNH03	BIFOLD DOORS	LINEN		2'0"		150.00
MSU01	SLIDER DOORS	MSR BR HI-SLIDER	HI-SLIDER	3'0"		150.00
MSU02	SLIDER DOORS	SR #2 HI-SLIDER	HI-SLIDER	4'0"		175.00
MSU03	SLIDER DOORS	BR #3 HI SLIDER	HI SLIDER			175.00

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : 4-16-94

GRAND TOTAL	\$	6351.00
Incl. Mortg. Sel	\$	2541.00
AMOUNT DUE NOW	\$	190.50
AMOUNT PAID NOW	\$	0.00 "CR"
AMOUNT DUE AT CLS	\$	6351.00

SALES REP : *[Signature]*
SALES MGR : *[Signature]*
CONST. MGR : *[Signature]* 4-22-94

KHOV034557

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : SIH1330-6 >LD

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00
ADX02	DISHWASHER	UPGRADE 4 CYCLE	GSD940	BLACK	BLACK	465.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE	805.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00
ARS00	RANGE	STANDARD RANGE	JGBC150R	WHITE	WHITE	0.00
AWX01	WASHER	WASHER LG CAPACITY	WMA5600	WHITE	WHITE	450.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5980	WHITE	WHITE	355.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAMOE				555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	CRYSTAL VALLEY	4B	60.0 SY	6773	CANDESCENT FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	CRYSTAL VALLEY	4B	78.0 SY	6773	CANDESCENT FCC0102A04
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	DESIGNER		17.67 SY	89650	FLC0103A03
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STANDARD LAYOUT					2541.00 <N
04---SELECTIONS: INTERIOR---						
MBU01	BIFOLD DOORS	DR, LEFT MI-BIFOLD	MI-BIFOLD	3'0"		200.00
MBU02	BIFOLD DOORS	DR, RIGHT MI-BIFOLD	MI-BIFOLD	3'0"		200.00
MBU03	BIFOLD DOORS	LINEN		2'0"		150.00
MSU01	SLIDER DOORS	MSIR BR MI-SLIDER	MI-SLIDER	3'0"		150.00
MSU02	SLIDER DOORS	BR #2 MI-SLIDER	MI-SLIDER	4'0"		175.00
MSU03	SLIDER DOORS	BR #3 MI SLIDER	MI SLIDER			175.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Walter P. Sinclair*
PURCHASER : *Walter P. Sinclair*
DATE : *4-16-94*

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : *Jim Weems*
SALES MGR : *James Wagner*
CONST. MGR : *4-22-94*

AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 *CK*
AMOUNT DUE AT CLOS \$ 6351.00

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : SYN1330-G >LD

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 03-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE	
01---APPLIANCES---							
AXX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00	
ADK02	DISHWASHER	UPGRADE 4 CYCLE	GSD940	BLACK	BLACK	465.00	
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE	805.00	
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00	
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00	
AWX01	WASHER	WASHER LG CAPACITY	WBA5600	WHITE	WHITE	450.00	
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5980	WHITE	WHITE	355.00	
02---CABINETS---							
KCU05	KITCHEN CABINETS	NATURAL TANOE				555.00	
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00	
03---FLOORING---							
Zone: 01	2ND FLOOR						
	CARPETING	CRYSTAL VALLEY	48	60.0 SY	6773	CANDESCENT	FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL						
	CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773	CANDESCENT	FCC0102A04
Zone: 03	KITCHEN/ENTRY						
	LINOLEUM FLOORING	DESIGNER		17.67 SY	89650		FLC0103A03
	Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STANDARD LAYOUT					2541.00	
04---SELECTIONS: INTERIOR---							
HBU01	BIFOLD DOORS	DN, LEFT MI-BIFOLD	MI-BIFOLD	3'0"		200.00	
HBU02	BIFOLD DOORS	DR, RIGHT MI-BIFOLD	MI-BIFOLD	3'0"		200.00	
HBU03	BIFOLD DOORS	LINEN		2'0"		150.00	
HBU01	SLIDER DOORS	MSR BR MI-SLIDER	MI-SLIDER	3'0"		150.00	
HBU02	SLIDER DOORS	BR #2 MI-SLIDER	MI-SLIDER	4'0"		175.00	
HBU03	SLIDER DOORS	BR #3 MI SLIDER	MI SLIDER			175.00	

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 4-16-94

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : [Signature]
SALES MGR : [Signature]
CONST. MGR : [Signature] 4.22.94

AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 "CK"
AMOUNT DUE AT CLDS \$ 6351.00

KHOV034559

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : 61N1399-8 >LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SINCLAIR
CONTRACT DATE: 03-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00
ADX02	DISHWASHER	UPGRADE 4 CYCLE	66D940	BLACK	BLACK	465.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TRX19PAS	WHITE	WHITE	803.00
AHSC0	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00
ARS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE	0.00
AWX01	WASHER	WASHER LG CAPACITY	WWAS560	WHITE	WHITE	450.00
AYX01	DRYER	DRYER 4 CYCLE	XT8DDG5980	WHITE	WHITE	355.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAMOR				555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CRYSTAL VALLEY	40	60.0 SY	6773 CANDLESCENT	FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773 CANDLESCENT	FCC0102A04
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		17.67 SY	89650	FLE0103A03
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES --	STANDARD LAYOUT				2541.00 <M
04---SELECTIONS: INTERIOR---						
MW001	BIFOLD DOORS	DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MW002	BIFOLD DOORS	DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
MW003	BIFOLD DOORS	LINEN		2'0"		150.00
MSU01	SLIDER DOORS	MR DR HI-SLIDER	HI-SLIDER	3'0"		150.00
MSU02	SLIDER DOORS	DR #2 HI-SLIDER	HI-SLIDER	4'0"		175.00
MSU03	SLIDER DOORS	DR #3 HI SLIDER	HI SLIDER			175.00

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : 4-16-94

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : *[Signature]*
SALES MGR : *[Signature]*
CONST. MGR : *[Signature]* 4-22-94

AMOUNT DUE NOW \$ 199.53
AMOUNT PAID NOW \$ 0.00 *CK*
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034560

PROJECT: IM - SOCIETY HILL @ UNIV. HEIGHTS III ESE

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL: STR1399-0 SLD

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER: SINCLAIR
CONTRACT DATE: 02-Apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00
ADX02	DISHWASHER	UPGRADE 4 CYCLE	650040	BLACK	BLACK	485.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TEX19PAS	WHITE	WHITE	803.00
ARS00	RANGE HOOD	STANDARD RANGE HOOD	JN922	WHITE	WHITE	0.00
ARS00	RANGE	STANDARD RANGE	J6BC15GE	WHITE	WHITE	0.00
AUX01	WASHER	WASHER LG CAPACITY	UWA5600	WHITE	WHITE	450.00
AVX01	DRYER	DRYER 4 CYCLE	XYR0065980	WHITE	WHITE	355.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAMB				555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORPE11	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	CRYSTAL VALLEY	48	60.0 SY	6773 CANDESCENT	FCC0101A04
Zone: 02	1ST FLOOR STAIRS/WALL					
	CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773 CANDESCENT	FCC0102A04
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	DESIGNER		17.67 SY	89650	FLC0103A03
Package includes: UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STANDARD LAYOUT					3541.00 (N)
04---SELECTIONS: INTERIOR---						
ADU01	BIFOLD DOORS	DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
ADU02	BIFOLD DOORS	DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00
ADU03	BIFOLD DOORS	LINEN		2'0"		150.00
ASU01	SLIDER DOORS	BRK DR HI-SLIDER	HI-SLIDER	3'0"		150.00
ASU02	SLIDER DOORS	DR #2 HI-SLIDER	HI-SLIDER	4'0"		175.00
ASU03	SLIDER DOORS	DR #3 HI-SLIDER	HI-SLIDER			175.00

D. 60

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: [Signature]
 PURCHASER: [Signature]
 DATE: 4-16-94

GRAND TOTAL \$ 6351.00
 Incl. Mortg. Sel \$ 2541.00

SALES REP: Eric Weems
 SALES MAN: [Signature]
 CONST. NO: 42294

AMOUNT DUE NOW \$ 190.59
 AMOUNT PAID NOW \$ 0.00 "CR"
 AMOUNT DUE AT CLOS \$ 6351.00

KHOV034561

K. HUMANIAN BREADBARK-DEB REMEDIAL CORP III

INS. No : 10-23-11

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III EEC

Printed: 10-APR-1994

BLDG NO: 23 UNIT: H1
MODEL : STH1330-0 PLD

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SINCLAIR
CONTRACT DATE: 03-apr-1994

SELECTION-NO DESCRIPTION MODEL SIZE COLOR COMMENTS PRICE

01---APPLIANCES---

ADK01	WASTE DISPOSAL	DISPOSAL	DECSER					130.00
ADK02	DISHWASHER	UPGRADE 4 CYCLE	6SD940		BLACK	BLACK		465.00
ADR02	REFRIGERATOR	19.1 CF REFRIGERATOR	TRX19PAS		WHITE	WHITE		803.00
ANS00	RANGE HOOD	STANDARD RANGE HOOD	JH322		WHITE	WHITE		0.00
ARS00	RANGE	STANDARD RANGE	J08C150R		WHITE	WHITE		0.00
AWX01	WASHER	WASHER LG CAPACITY	WMA5600		WHITE	WHITE		350.00
AYX01	DRYER	DRYER 4 CYCLE	XTED065980		WHITE	WHITE		355.00

02---CABINETS---

KCU05	KITCHEN CABINETS	NATURAL TAMPE						555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE	PORFELI		0.00

03---FLOORING---

Zone: 01	2ND FLOOR							
	CARPETING	CRYSTAL VALLEY	48	60.0 SY	6773	CANDLESCENT	FCC0101A04	
Zone: 02	1ST FLOOR STAIRS/HALL							
	CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773	CANDLESCENT	FCC0102A04	
Zone: 03	KITCHEN/ENTRY							
	LITHOLEUM FLOORING	DESIGNER		17.67 SY	89650		ELC0103A03	

Package includes UPGRADE Padding in carpeted areas

XFS01 FLOORING PACKAGES -- STANDARD LAYOUT 3541.00

04---SELECTIONS: INTERIOR---

NDK01	BIFOLD DOORS	DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"				200.00
NDK02	BIFOLD DOORS	DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"				200.00
NDK03	BIFOLD DOORS	LINER		3'0"				150.00
NSD01	SLIDER DOORS	BRK BK HI-SLIDER	HI-SLIDER	3'0"				150.00
NSD02	SLIDER DOORS	DR #2 HI-SLIDER	HI-SLIDER	4'0"				175.00
NSD03	SLIDER DOORS	BR #3 HI SLIDER	HI SLIDER					175.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 4/16/94
SALES REP : [Signature]
SALES NO : [Number]
CONST. NO : [Number]

GRAND TOTAL \$ 6351.00
Incl. Mortg. Est \$ 2541.00
AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034562

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)

Gloria Sinclair, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decoraton Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00

2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-16-94
DATE

* Willie R. Sinclair
BUYER

Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034567

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22 UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decoraton Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 125,691.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

H-16-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER
SELLER CORPORATION:
BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034568

ZZZ

K.HOVNMANIAN BENEFAK-URB RENEWAL CORP III

D.S.No : IW-22-HI

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 16-APR-1994

BLDG NO: 22 UNIT: HI
MODEL : SHI330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GFC29W			130.00
ADX02	DISHWASHER	UPGRADE 4 CYCLE	GSD940	BLACK BLACK		465.00
AEX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE WHITE		805.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JH322	WHITE WHITE		0.00
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE WHITE		0.00
AWX01	WASHER	WASHER LG CAPACITY	UWA5600	WHITE WHITE		450.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDD35980	WHITE WHITE		355.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TAHOE				555.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CRYSTAL VALLEY	48	60.0 SY	6773 CANDLESCENT	FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CRYSTAL VALLEY	48	78.0 SY	6773 CANDLESCENT	FCC0102A04
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		17.67 SY	89650	FLC0103A03
	Package includes	UPGRADE Padding in carpeted areas				
XE501	FLOORING PACKAGES	STANDARD LAYOUT				2541.00
04---SELECTIONS: INTERIOR---						
MBU01	BIFOLD DOORS	DR, LEFT MI-BIFOLD	MI-BIFOLD	3'0"		200.00
MBU02	BIFOLD DOORS	DR, RIGHT MI-BIFOLD	MI-BIFOLD	3'0"		200.00
MBU03	BIFOLD DOORS	LINEN		2'0"		150.00
MSU01	SLIDER DOORS	MSIR BR MI-SLIDER	MI-SLIDER	3'0"		150.00
MSU02	SLIDER DOORS	BR #2 MI-SLIDER	MI-SLIDER	4'0"		175.00
MSU03	SLIDER DOORS	BR #3 MI-SLIDER	MI-SLIDER			175.00

D.D

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
 PURCHASER : *[Signature]*
 DATE : *10-16-94*
 SALES REP : *[Signature]*
 SALES MGR : *[Signature]*
 CONST. NBR: _____

GRAND TOTAL \$ 6351.00
 Incl. Mortg. Sel \$ 2541.00
 AMOUNT DUE NOW \$ 190.53
 AMOUNT PAID NOW \$ 0.00 'CK'
 AMOUNT DUE AT CLOS \$ 6351.00

KHOV034569

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: H1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER
SELLER CORPORATION:
BY: [Signature]
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034572

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: H1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER

Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034573

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
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7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94

DATE

Willie R. Sinclair

BUYER

Gloria Sinclair

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
SELLER

K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034574

S U M M A R Y O F B A S I C P R O V I S I O N S

1C10

The **SELLER**: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The **BUYER(S)**: WILLIE R SINCLAIR (H) of 78 MADISON AVENUE/APT C
 Tel: Res: (201) 624-7005 NEWARK
 Bus: (201) 596-5000 NJ ,07108.

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
 Tel: Res: (201) 624-7005 NEWARK
 Bus: (201) 430-2706 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The **PROPERTY**: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 706 LOT NO: 22.05
 BLDG NO.: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

The **PURCHASE PRICE** : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

The **PAYMENT TERMS** :
 INITIAL DEPOSIT \$ 0.00 ON DATE 02-APR-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 02-APR-1994
 ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-MAY-1994
 BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$103,950.00 **MORTGAGE CONTINGENCY DATE**: 01-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Willie R. Sinclair 4-2-94
 (BUYER) DATE
Gloria Sinclair 4-2-94
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE
 _____ DATE
 (BUYER) DATE

[Signature] 4/2/94
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The **BROKER**: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034587

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): WILLIE R SINCLAIR (H) of 78 MADISON AVENUE/APT C
 Tel: Res: (201) 624-7005 NEWARK
 Bus: (201) 596-5000 NJ ,07108.

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
 Tel: Res: (201) 624-7005 NEWARK
 Bus: (201) 430-2706 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.15
 BLDG NO.: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

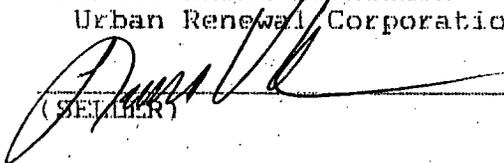
The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

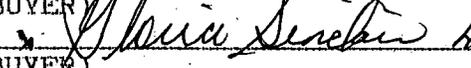
The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	02-APR-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	02-APR-1994
	ADDITIONAL DEPOSIT	\$ 2,118.50	BY DATE	02-MAY-1994
	BALANCE at CLOSING	\$100,831.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$103,950.00		

MORTGAGE AMOUNT : \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) 4/9/94
 DATE

	4-2-94
(BUYER)	DATE
	4-2-94
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034600



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way, West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of April, 1994.

Buyer: x *Wallace R. Sinclair*

Lisa M. Weems

Buyer: x *Gloria Sinclair*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x *Wallace R. Sinclair* 4-29-94
BUYER DATE

x *Gloria Sinclair* 4-29-94
BUYER DATE

BY: *[Signature]* 4/7/94
DATE

KHOV034604

1010

Companies

The SELLER: K. HOVNANIAN ON BEHALF OF URBAN RENEWAL CORP. Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701

TERMS AND CONDITIONS - PURCHASE AGREEMENT

The BUYER(S): WILLIE R. SINCLAIR (W) of 78 MADISON AVENUE/APT C NEWARK NJ 07108. Tel: Res: (201) 624-7005 Bus: (201) 596-5000

GLORIA SITSINCLAIR (W) of 78 MADISON AVENUE/APT C NEWARK NJ 07108. Tel: Res: (201) 624-7005 Bus: (201) 430-2706

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS III ESC BLOCK NO: 406 LOT NO: 22.15 BLDG NO: 22 UNIT NO: 111 MODEL: STH1330-G LOWER MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.

The PURCHASE PRICE: \$103,950.00 Consisting of: 12. BASE PRICE of MODEL \$103,950.00 13. SELLER'S INABILITY TO DELIVER DEED

The PAYMENT TERMS: INCREASED INITIAL DEPOSIT PRICE 0.00 ON DATE 02-APR-1994 15. ASSIGNING CONTRACT \$ 1,000.00 ON DATE 02-APR-1994 16. NO ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-MAY-1994 17. DEPOSIT BALANCE at CLOSING \$100,831.50 PAID BY CERTIFIED CHECK 18. WARRANTIES 19. ENTIRE AGREEMENT REPRESENTATIONS \$103,950.00

MORTGAGE AMOUNT: \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994 PREOCCUPANCY INSPECTION Estimated COMPLETION DATE: 15-FEB-1994 CHANGES IN PRICE 22. MORTGAGE CONTINGENCY 23. INSULATION 24. PURCHASE AGREEMENT 25. AFFORDABLE UNITS 26. OWNER/INVESTOR REPRESENTATION 27. ATTORNEY REVIEW

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. HOVNANIAN at Newark Urban Renewal Incorporation WILL and INCENTIVE. Willing R. Sinclair 4-2-94 Dawn Secker 4-2-94

1. DEPOSITS - All deposits shall be paid in escrow... (SELLER) until closing of title or termination of contract... escrow be released prior to the expiration of the severability exception period...

Execution of both this SUMMARY and the attached TERMS AND CONDITIONS, PURCHASE AGREEMENT is required. Seller shall pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by BROKER.

3. ADJUSTMENT - Tax, P.E.H., Michael McGreevey maintenance fees, utilities, water and sewer charges, and interest, if any, are to be paid to Highway 35 P.O. Box 500 Red Bank NJ 07701

4. CLOSING OF TITLE - Seller in no event shall complete the sale of the property without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashier's check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE - Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Act, Affidavit of Title, and Company Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

KHOV034605

HFHOVICAS



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr & Mrs Sinclair BLDG./UNIT NO: 2041 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/2, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

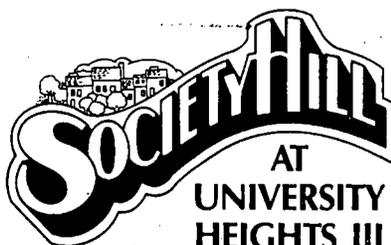
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: Will R. Sinclair DATE: 4-2-94

BUYER: Gloria Sinclair DATE: 4-2-94

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034607

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

William T. Conyers, Jr.

_____, Buyer.

UNIT: H2 BLDG.: 72 PURCHASE AGREEMENT DATE: 3/26/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnianian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

William T. Conyers, Jr. 94-03-26
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034610

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Movnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

William T. Conyers, Jr.

_____, Buyer.

UNIT #2, BLDG. 22

PURCHASE AGREEMENT DATED: 3/26/94

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 115,696.81

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>109,950.00</u>
DS Number	\$ _____
_____	\$ <u>5,746.81</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>1,000.00</u>	
Balance due at closing (cash of certified check)	\$ <u>114,696.81</u>	
Total Purchase Price	\$ <u>115,696.81</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 5/25/94, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV034611

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3/30/94

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Handwritten signature]

DATE 940326

"BUYER"

[Handwritten signature]

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sue Weems

FORMS DS/PR/INCE
02/12/90

KHOV034612

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORE Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): WILLIAM T CONYERS, JR. (u) of 1343 MERIDIAN PLACE NW
 Tel: Res: (202) 232-6444 WASHINGTON,
 Bus: (202) 273-0181 DC ,20010.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.16
 BLDG NO.: 22 , UNIT NO: H2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

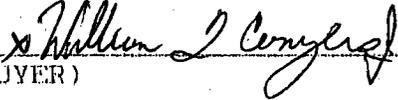
The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	26-MAR-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	26-MAR-1994
	ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	25-APR-1994
	BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$109,950.00		

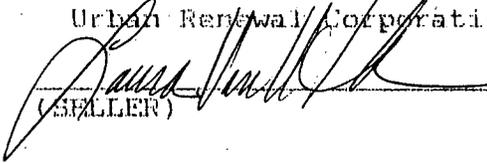
MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 25-MAY-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

	940326
(BUYER)	DATE

 3/30/94
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV034637



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees, costs, points and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, if Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 28th day of March, 1994.

Buyer: William S. Conyers

Jim M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

William S. Conyers 94-03-26
BUYER DATE

BUYER DATE

BY: Laura Van Velthoven 3/30/94
LAURA VAN VELTHOVEN, SALES MANAGER DATE



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: William Conyers

BLDG/UNIT: 2242

MODEL: 1330

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/26, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: William Conyers, DATE: 94-03-26



by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034644

Information Sheet

The Title Insurance Commitment is a legal contract between you and Chicago Title Insurance Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY

If you have any questions about the Commitment, contact the issuing office.



Title Insurance Commitment



Chicago Title Insurance Company

171 North Clark Street
Chicago, Illinois 60601-3294

Issuing Office:
HOME TITLE AGENCY OF NJ, INC.
532 Broad Street
Bloomfield, NJ 07003
(201) 429-2600

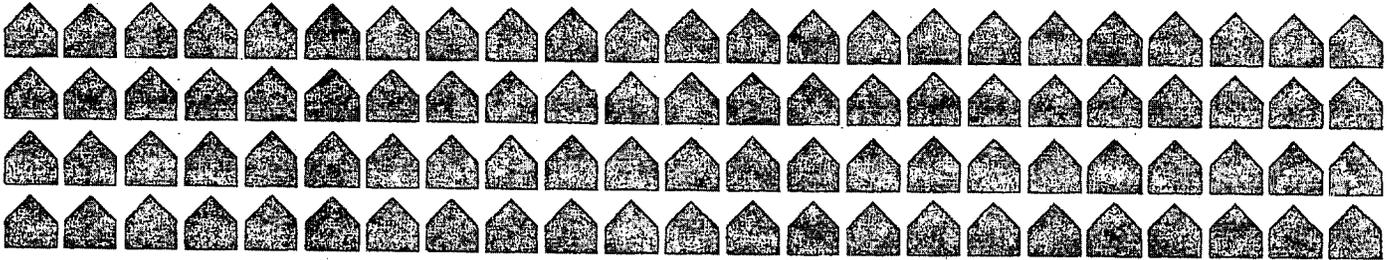


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2. Policies to be Issued, Amounts and Proposed Insureds			
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4. Description of the Land		CONDITIONS	2

KHOV034657

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE A
NUMBER 4
(CONTINUED)

DESCRIPTION

All that certain tract, lot and parcel of land lying and being in the City of Newark County of Essex and State of New Jersey being more particularly described as follows:

UNIT 11 IN BUILDING 22, SITUATED IN "SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM", TOGETHER WITH A 1964 UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS OF SAID CONDOMINIUM (REFERRED TO IN THIS DEED AS THE "CONDOMINIUM UNIT"). THE CONVEYANCE EVIDENCED BY THIS DEED IS MADE UNDER THE PROVISIONS OF AND IS SUBJECT TO THE NEW JERSEY CONDOMINIUM ACT (N.J.S.A. 46:8B-1 ET SEQ.) AND THE PLANNED REAL ESTATE DEVELOPMENT ACT (N.J.S.A. 45:22A-21 ET SEQ.) AS AMENDED, AND ANY APPLICABLE REGULATIONS ADOPTED UNDER EITHER LAW. THE CONVEYANCE EVIDENCED BY THIS DEED IS ALSO MADE IN ACCORDANCE WITH THE TERMS, LIMITATIONS, CONDITIONS, COVENANTS, RESTRICTIONS, EASEMENTS, AGREEMENTS AND OTHER PROVISIONS SET FORTH IN THAT CERTAIN MASTER DEED FOR SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM DATED DECEMBER 20, 1990 AND RECORDED ON DECEMBER 21, 1990 IN THE OFFICE OF THE REGISTER OF ESSEX COUNTY IN BOOK 5151 AT PAGE 509, ET SEQ.; AS AMENDED BY FIRST AMENDMENT TO MASTER DEED DATED DECEMBER 20, 1990 RECORDED DECEMBER 21, 1990 IN DEED BOOK 5151 PAGE 611, ET SEQ.; AS AMENDED BY SECOND AMENDMENT TO MASTER DEED DATED JANUARY 15, 1991 RECORDED MARCH 12, 1991 IN DEED BOOK 5160 PAGE 593, ET SEQ.; AS AMENDED BY THIRD AMENDMENT TO MASTER DEED DATED SEPTEMBER 11, 1991 RECORDED SEPTEMBER 16, 1991 IN DEED BOOK 5183 PAGE 481, ET SEQ.; AS AMENDED BY FOURTH AMENDMENT DATED NOVEMBER 21, 1991 RECORDED JANUARY 27, 1992 IN DEED BOOK 5199 PAGE 213, ET SEQ.; AS AMENDED BY FIFTH AMENDMENT DATED JANUARY 11, 1993 RECORDED JANUARY 21, 1993 IN DEED BOOK 5245 PAGE 318, ET SEQ.; AS AMENDED BY SIXTH AMENDMENT DATED JULY 7, 1994 RECORDED AUGUST 2, 1994 IN DEED BOOK 5324 PAGE 175, ET SEQ. AS THE SAME MAY NOW OR HEREAFTER BE LAWFULLY AMENDED.

FOR INFORMATION ONLY:

BEING KNOWN AS LOT 22.17 IN BLOCK 406 ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, ESSEX COUNTY, NEW JERSEY.

BEING ALSO KNOWN AS 51A WITCLIFF STREET, NEWARK, NEW JERSEY.

KHOV034659

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

- C 1. Document(s) satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.

Deed from K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to LILLIAN E. BOOKER

- X 2. Pay the agreed amounts for the interest in the land and/or mortgage to be insured.

3. Pay us the premiums, fees and charges for the Policy.

- X 4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

- C 5. An affidavit of title executed by the seller(s) must be obtained and the facts set forth therein must be considered.

- C 6. If the present transaction consists of a sale by a corporation, a certified copy of the Resolution of the Board of Directors authorizing the transaction together with a certificate that the corporation is in good standing and that the By-Laws have been complied with must be obtained.

- X 7. *The Company requires that a Notice of Settlement be filed pursuant to N.J.S.A. 46:16A-1 et seq. in connection with this transaction. Please note that the Notice now has a duration of forty-five (45) days.*

8. NEW JERSEY SUPERIOR COURT AND UNITED STATES DISTRICT COURT RETURNS DATED MARCH 21, 1995 , SHOWS CLEAR, SEE ATTACHED.

9. CORPORATE STATUS REPORT OF K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. DATED JANUARY 6, 1995 SHOWS THE CHARTER OF SAID CORPORATION TO BE IN GOOD STANDING. THERE BEING NO LIENS FOR UNPAID FRANCHISE TAXES SAID CORPORATION THROUGH AND INCLUDING 1995.

(CONTINUE)

KHOV034660

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 1
REQUIREMENTS

(CONTINUED)

ALAN 10. PROOF IS REQUIRED THAT ALL CONDOMINIUM DUES, CHARGES AND ASSESSMENTS HAVE BEEN PAID TO DATE. (A CERTIFICATE FROM THE CONDOMINIUM ASSOCIATION PURSUANT TO N.J.S.A., 46:8B-21 SHALL BE CONSIDERED SUFFICIENT PROOF.) IF REQUESTED PROOFS ARE NOT FORTHCOMING, THE POLICY WILL EXCEPT: "CONDOMINIUM DUES, CHARGES AND ASSESSMENTS, IF ANY, DUE AND OWING WITH RESPECT TO THE PREMISES IN QUESTION."

ALAN 11. WE REQUIRE PROOF OF PAYMENT OF ALL DUES, CHARGES AND ASSESSMENTS DUE AND OWING TO THE UNIVERSITY HEIGHTS COMMUNITY BUILDING ASSOCIATION, A SEPARATE AGENCY, AS SET FORTH IN THE FIFTH AMENDMENT OF THE MASTER DEED. THIS IS IN ADDITION TO THE CERTIFICATION REQUIRED BY THE CONDOMINIUM ASSOCIATION.

C 12. WE REQUIRE THAT THE AFFORDABLE HOUSING AGREEMENT, A COPY OF WHICH IS SET FORTH IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 594, BETWEEN THE BUYER AND THE CITY OF NEWARK HOUSING AUTHORITY MUST BE RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

X 13. A SECOND REPAYMENT MORTGAGE, A COPY OF WHICH IS PROVIDED IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 603, MUST BE EXECUTED BY THE BUYER AND RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

THE 14. THIS COMPANY HAS DETERMINED THAT THE SIXTH AMENDMENT TO THE MASTER DEED IN DEED BOOK 5324 PAGE 175 BE AMENDED IN VIEW OF THE APPARENT ERRONEOUS DESCRIPTION OF THE PHASED-IN PREMISES. *Phased wrong (MASTER DEED) 6th Amend.*

C Attorney NOTE: SOLELY FOR THE PURPOSES OF EXPEDITING THE ISSUANCE OF THE FINAL TITLE POLICIES, THE COMPANY REQUIRES A COPY OF THE REAL ESTATE PROCEDURE STATEMENT (RESPA) WHERE APPLICABLE.

PART II:
U.S. DISTRICT AND NEW JERSEY SUPERIOR COURT SEARCHES SHOW RETURNS AS OF MARCH 21, 1995 AGAINST THE NAME(S) LILLIAN E. BOOKER THE PROPOSED INSURED (COPY ATTACHED).

KHOV034661

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 2
EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Rights or claims of parties in possession of the land not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. Survey to be submitted by applicant
4. Any liens on your title, arising now or later, for labor and material, not shown by the public records.
5. Taxes, charges and assessments as described on the attached sheet.
6. The 0 mortgage(s) and assignment(s) of mortgage(s) as described on the attached sheet.
7. TERMS, PROVISIONS, CONDITIONS, RESTRICTIONS AND EASEMENTS CONTAINED IN THE MASTER DEED AND BY-LAWS IN DEED BOOK 5151 , PAGE 509, ET SEQ. AS AMENDED BY FIRST AMENDMENT IN DEED BOOK 5151 PAGE 611, ET SEQ., AS AMENDED BY SECOND AMENDMENT IN DEED BOOK 5160 PAGE 593, ET SEQ., AS AMENDED BY THIRD AMENDMENT IN DEED BOOK 5183 PAGE 481, ET SEQ., AS AMENDED BY FOURTH AMENDMENT IN DEED BOOK 5199 PAGE 213, ET SEQ., AS AMENDED BY FIFTH AMENDMENT IN DEED BOOK 5245 PAGE 318, ET SEQ. AS AMENDED BY SIXTH AMENDMENT IN DEED BOOK 5324 PAGE 175, ET SEQ., AS THE SAME MAY BE NOW OR THEREAFTER LAWFULLY AMENDED; BUT POLICY INSURES THAT THE PREMISES FORMS A PART OF A VALIDLY CREATED CONDOMINIUM PURSUANT TO N.J.S.A. 46:8B-1, ET SEQ.
8. EASEMENT AS SET FORTH IN DEED BOOK 5245 PAGE 307.
9. GRANT TO PUBLIC SERVICE ELECTRIC AND GAS CO. AND NEW JERSEY BELL TELEPHONE COMPANY AS SET FORTH IN DEED BOOK 5236, PAGE 615.

(CONTINUE)

KHOV034662

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 2
EXCEPTIONS
(CONTINUED)

10. PRIVATE RIGHTS, INCLUDING, WITHOUT LIMITATION, THE RIGHTS OF UTILITY COMPANIES, IN AND TO SO MUCH OF THE PREMISES IN QUESTION AS LIES WITHIN THE BEDS OF ACADEMY STREET; WILSEY STREET AND SCHOOL STREET.
11. LIEN OF UNPAID REAL ESTATE TAXES FOR THE YEAR 1994. NOTE: THE PREMISES DESCRIBED HEREIN CONSTITUTE A UNIT IN A CONDOMINIUM WHICH HAS BEEN CREATED AND ESTABLISHED BY THE RECORDING OF THE MASTER DEED REFERRED TO HEREIN. THE PREMISES DESCRIBED IN SAID MASTER DEED WILL BE ASSESSED AS A SINGLE TAX PARCEL FOR THE YEAR 1995. POLICY WILL EXCEPT LIABILITY FOR ADDITIONAL ASSESSMENTS FOR TAXES UPON A SEPARATE ASSESSMENT OF THE UNIT DESCRIBED HEREIN AS A SEPARATE TAX PARCEL.
12. THE INSURED PREMISES IS BENEFITED BY A TAX ABATEMENT, POLICY WILL EXCEPT THE LIEN WHICH MAY ATTACH BY REASON OF ANY RESTORATION OF REAL PROPERTY TAXES RESULTING FROM THE TRANSFER OF TITLE BY THE OWNER ENTITLED TO SAID EXEMPTION.
13. SUBJECT TO THE SECOND REPAYMENT MORTGAGE FROM LILLIAN E. BOOKER TO THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS OF THE CITY OF NEWARK HOUSING AUTHORITY DATED ___ RECORDED ___ IN THE MORTGAGE BOOK ___ PAGE ___. (TO BE RECORDED).
14. AFFORDABLE AGREEMENT BETWEEN LILLIAN E. BOOKER TO THE CITY OF NEWARK HOUSING AUTHORITY DATED ___ RECORDED ___ IN DEED BOOK ___ PAGE ___. (TO BE RECORDED).
15. TERMS AND CONDITIONS OF THE DEED INTO THE UNIT OWNER.

KHOV034663

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HI-0286

SCHEDULE B - SECTION 2
EXCEPTION NUMBER 5
(CONTINUED)

TAXES, CHARGES AND ASSESSMENTS

BLOCK 406

LOT

22.17 THRU 22.17

- (a) Liability for additional assessment for taxes in connection with new construction pursuant to N.J.S.A. 54:4-63.1 and the following sections.
- (b) TAX SEARCH (ON ORDER)
- (c) UNCONFIRMED ASSESSMENT SEARCH, REPORTED FOR INFORMATION ONLY.
(ON ORDER)

FINAL METER READING IS REQUIRED TO BE PERFORMED PRIOR TO CLOSING.

INFORMATION

Our policy does not insure against taxes, water rates, assessments and other matters relating to taxes which have not become a lien up to the date of the policy or installments due after the date of the policy.

Taxes become a lien on lands on January 1st of each year and are payable in quarterly installments on February 1st, May 1st, August 1st and November 1st.

KHOV034664

DEED

Prepared by: (With signer's name below signature)
[Signature]
ROBERT M. SCHWARTZ, ESQ.

This Deed is made on December 31, 1993

BETWEEN

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

a corporation of the state of New Jersey
having its principal office at 65 Jackson Drive, P.O. Box 1191, Cranford, NJ 07016
referred to as the Grantor.

AND

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

whose post office address is 65 Jackson Drive, P.O. Box 1191, Cranford, New Jersey 07016
referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of one (\$1.00) dollar and other valuable consideration.

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Newark
Block No. See below Lot No. Account No.
 No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings and structures on the land in the City of Newark
County of Essex and State of New Jersey. The legal description is:

See Schedule A attached hereto being the same premises conveyed to Grantor by two separate deeds from the City of Newark dated December 31, 1993 which deeds are being recorded simultaneously herewith.

Received & Recorded
Register's Office
Essex County, NJ
MAY 11, 12:35 PM '94
Larrie W. Stalks
894001564110570169

BK5309PC 469

KHOV034667

DEED

Prepared By: (Print signer's name below signature)
RMS
Robert M. Schwartz

This Deed is made on January 14, 19 93

BETWEEN
K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

a corporation of the state of New Jersey
having its principal office at 10 Highway 35, Red Bank, NJ 07701
referred to as the Grantor.

AND
K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

whose post office address is 10 Highway 35, Red Bank, NJ 07701
referred to as the Grantee.
The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of \$1.00 receipt of which is acknowledged.
The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Newark, New Jersey
Block No. Lot No. Account No.

No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property conveyed will hereafter be designated by the City of Newark as a part of the property. The property consists of the land and all the buildings and structures on the land in the City of Newark and State of New Jersey. The legal description is:
County of Essex

See description attached as Schedule A.

RECEIVED & RECORDED
REGISTER'S OFFICE
ESSEX COUNTY, NJ
JAN 21 11:07 AM '93
LARRY N. STALKS
R33000207110-08733
CONSIDERATION: \$1
R. I. I. : \$0.00

KHOV034670

SCHEDULE A

All that certain tract or parcel of land and premises, hereinafter particularly described, situate, lying and being in the City of Newark, County of Essex and State of New Jersey, being commonly known and described on the Official Tax Map and Tax Duplicate of the City of Newark 1992 to wit as follows:

The vacated street bed of Newark Street between the north side of West Market Street and the south side of Academy Street, vacated street bed of Wilsey Street between the north side of West Market Street and the north side of School Street, the vacated street bed of Academy Street between the east side of Norfolk and the west side of Wickliffe Street and the vacated street bed of School Street between the west side of Wilsey Street and the west side of Wickliffe Street.

Being a portion of the same streets that were vacated by action of the City Council of the City of Newark by Ordinance Nos. 6S&FII, 6S&FI, 6S&FJ and 6S&FK all dated October 21, 1992, copies of which are attached hereto as Schedule A, Parts 1-4.

Being the same premises conveyed to Grantor by the City of Newark by deed dated January 14, 1993, which deed is being recorded simultaneously herewith.

BK5245Pg 303

KHOV034671

RECEIVED & RECORDED
REGISTERED OFFICE
DEEDS COUNTY NO
LAW 21 1111 AM '93
OFFICE OF THE CLERK
OF THE COUNTY OF
MIDDLESEX
NEW JERSEY
FILED BY:

Robert M. Schwartz
ROBERT M. SCHWARTZ
ATTORNEY AT LAW
STATE OF NEW JERSEY

DEED OF EASEMENT

THIS INDENTURE made this 14th day of January, 1993 between K. Hovnanian at Newark Urban Renewal Corp. III, Inc., with offices at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, hereinafter referred to as the Grantor, and Columbus Holding Company, Inc., A New Jersey Corporation, with offices at 2-10 School Street, Newark, New Jersey 07102, hereinafter referred to as the Grantee.

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid to the Grantor, receipt of which is hereby acknowledged, the Grantor by these presents, grants, bargains, sells, aliens, releases, conveys and confirms unto the said Grantee, and to its successors and assigns forever, a perpetual, nonexclusive easement upon, through and across the portion of Common Elements of Society Hill at University Heights III, A Condominium ("Condominium") described hereafter for the limited purposes of permitting vehicular and pedestrian access, ingress and egress to the rear loading dock and parking area within City of Newark Tax Block 404, Tax Lots 10, 11 and 13. This easement is limited to the normal business hours of the Grantee, its successors and assigns for businesses conducted on Tax Block 404, Lots 10, 11 and 13.

The area of the Common Elements of the Condominium subject to this easement is limited to the 24(±) foot wide paved roadway to be located within an area 476.18(±) feet along the westerly side of the Wickliffe Street right of way measured from the Northwest corner of Wickliffe and West Market Streets to a point of BEGINNING then:

- 1) Along the westerly side of the Wickliffe Street right of way, North 19 degrees, 20 minutes, 54 seconds East, for 50.11 feet; then
- 2) Along the northern side of the former School Street right of way North 66 degrees, 50 minutes, 06 seconds West, for 166(±) feet; then
- 3) North 23 degrees, 09 minutes, 54 seconds East, for 50(±) feet; then
- 4) North 66 degrees, 50 minutes 06 degrees West for 166.25 feet to the place of BEGINNING.

The above area is the Wickliffe Street entrance to the Condominium depicted in the shaded area of the April 4, 1990 (last revised June 1, 1992) Metes and Bounds Survey of Society Hill at University Heights III, Sites "C and E" prepared by Gerard A. Lupo, I.S., and is graphically shown on Schedule A hereto. Said easement is within a portion of the City of Newark Tax Block 406 formerly the street bed of School Street, which was vacated by the City of Newark by ordinance enacted prior to the date hereof and conveyed to the Grantor by deed from the City of Newark dated January 14, 1993 (which conveys other property), said deed being recorded simultaneously herewith.

This easement shall be strictly limited to the forgoing use and location. Nothing herein shall be construed as granting any further rights, title or interest, express or implied, to any of the Society Hill at University Heights III, A Condominium's Common Elements, Units or Limited Common Elements not specifically set forth herein. The Grantee and its successors and assigns shall not use the easement for any other purpose except ingress and egress. Specifically prohibited within the easement area is the repair and/or storage and/or parking of motor vehicles, equipment or material of any type. Grantee, its successors and assigns shall not create a nuisance nor do any act which would be detrimental to the property or Common Elements of Society Hill at University Heights III, A Condominium.

The use of the easement rights herein conferred upon Grantee shall constitute Grantee's agreement to indemnify and hold harmless the Grantor and its affiliated entities and the officers, directors, shareholders, employees and agents of each of same as well as the Society Hill at University Heights Condominium Association III, Inc., the Society Hill at University Heights Condominium Association II, Inc., the Society Hill at University Heights Condominium Association I, Inc. and the University Heights Community Building Association, Inc., and their members, officers, trustees, directors, employees and agents from any and all claims of all types and descriptions related to injury to person, persons or

BK 5245 pg 307

DEED

Prepared by: *[Signature]*
Robert N. Schwartz, Esq.

This Deed is made on November 11, 1992

BETWEEN

K. Hovnanian at Newark Urban Renewal Corp. II, Inc.

a corporation of the state of New Jersey
having its principal office at 10 Highway 35, P.O. Box 500, Red Bank, NJ 07701
referred to as the Grantor,

AND

K. Hovnanian at Newark Urban Renewal Corp. III, Inc.

whose post office address is 10 Highway 35, P.O. Box 500, Red Bnk, NJ 07701
referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of one dollar (\$1.00)

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of
Block No. See list below Lot No. Account No.
 No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings and structures on the land in the City of Newark and State of New Jersey. The legal description is:
County of Essex

Received & Recorded
Register's Office
Essex County, NJ
DEC 29, 01:07 PM '92
Larrie M. Stalks
89200437110400485
Consideration: \$1
R. 1. 1. : \$0.00

BK 5242 Pg 423

KHOV034675

Description
of Land

Property being known as Block 406.
1,2,3,6,8 thru 17.

Lots

Block 407

, Lots 6,7 and 9.

Block 405
24 and 27 thru 32.

, Lots 1 thru 16, 20 thru

Block 404
33, 35 and 36

, Lots 2,4,6,7,8,9, 16 thru

KHOV034676

Description
of Land

Property being known as Block 406 (Tract I on the attached), Lots
1, 2, 3, 6, 8 thru 17.

Block 407 (Tract II on the attached), Lots 6, 7 and 9.

Block 405 (Tract III on the attached), Lots 1 thru 16, 20 thru
24 and 27 thru 32.

Block 404 (Tract IV on the attached), Lots 2, 4, 6, 7, 8, 9, 16 thru
33, 35 and 36.

BK 524 2 PG 4 25

KHOV034677

RECEIVED & RECORDED
Deed Recorder's Office
Essex County, N.J.
JAN 21 11:11 AM '93
Merrill H. Stepien
350002071106736
BY TELETYPE
N. J. : 1993

Robert N. Schwartz
ROBERT N. SCHWARTZ
ATTORNEY AT LAW
STATE OF NEW JERSEY

DEED OF EASEMENT

THIS INDENTURE made this 14th day of January, 1993 between K. Hovnanian at Newark Urban Renewal Corp. III, Inc., with offices at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, hereinafter referred to as the Grantor, and Columbus Holding Company, Inc., A New Jersey Corporation, with offices at 2-10 School Street, Newark, New Jersey 07102, hereinafter referred to as the Grantee.

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid to the Grantor, receipt of which is hereby acknowledged, the Grantor by these presents, grants, bargains, sells, aliens, releases, conveys and confirms unto the said Grantee, and to its successors and assigns forever, a perpetual, nonexclusive easement upon, through and across the portion of Common Elements of Society Hill at University Heights III, A Condominium ("Condominium") described hereafter for the limited purposes of permitting vehicular and pedestrian access, ingress and egress to the rear loading dock and parking area within City of Newark Tax Block 404, Tax Lots 10, 11 and 13. This easement is limited to the normal business hours of the Grantee, its successors and assigns for businesses conducted on Tax Block 404, Lots 10, 11 and 13.

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- 1) Along the westerly side of the Wickliffe Street right of way, North 19 degrees, 20 minutes, 54 seconds East, for 50.11 feet; then
- 2) Along the northern side of the former School Street right of way North 66 degrees, 50 minutes, 06 seconds West, for 166(±) feet; then
- 3) North 23 degrees, 09 minutes, 54 seconds East, for 50(±) feet; then
- 4) North 66 degrees, 50 minutes 06 degrees West for 166.25 feet to the place of BEGINNING.

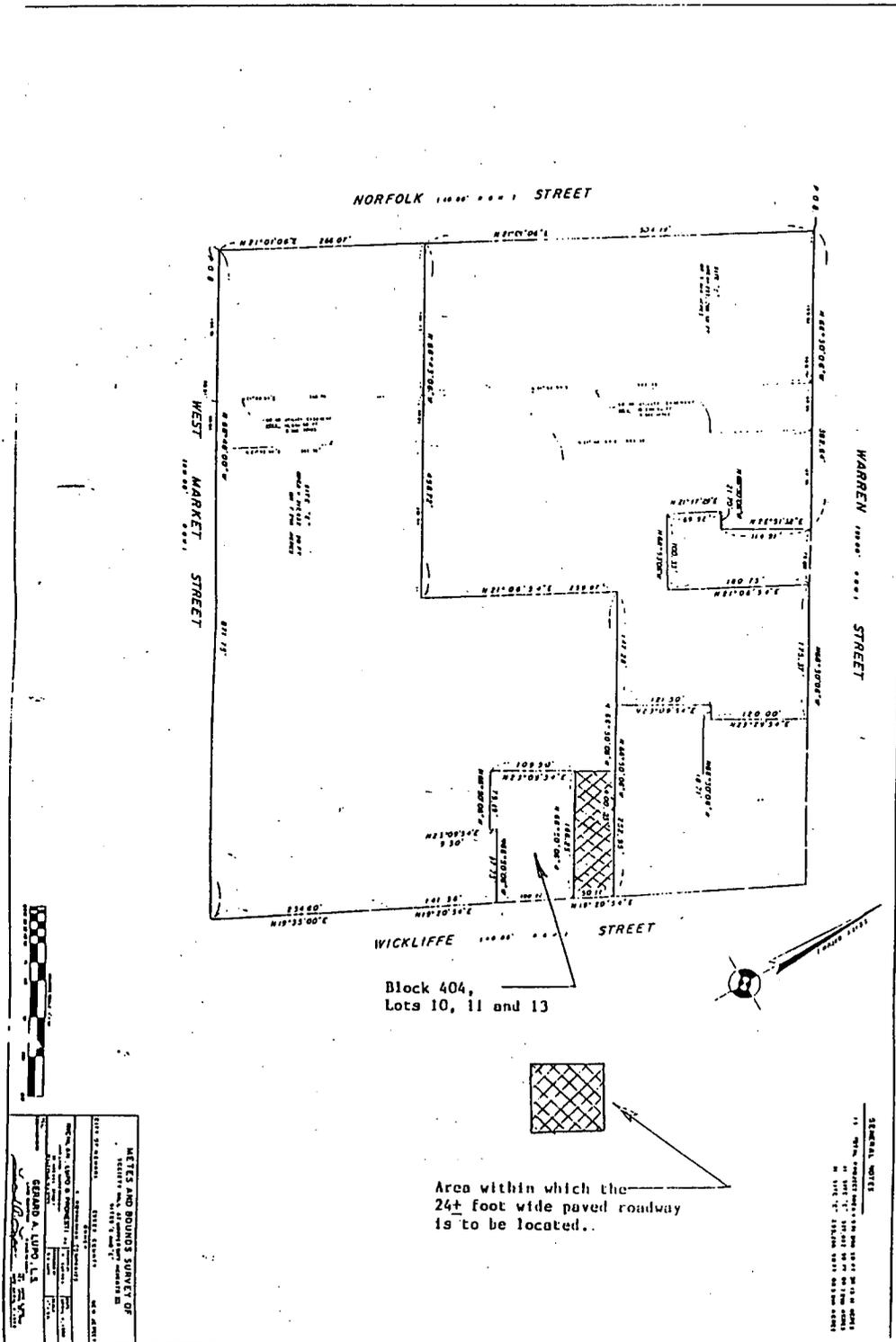
The above area is the Wickliffe Street entrance to the Condominium depicted in the shaded area of the April 4, 1990 (last revised June 1, 1992) Metes and Bounds Survey of Society Hill at University Heights III, Sites "C and E" prepared by Gerard A. Lapo, L.S., and is graphically shown on Schedule A hereto. Said easement is within a portion of the City of Newark Tax Block 406 formerly the street bed of School Street, which was vacated by the City of Newark by ordinance enacted prior to the date hereof and conveyed to the Grantor by deed from the City of Newark dated January 14, 1993 (which conveys other property), said deed being recorded simultaneously herewith.

This easement shall be strictly limited to the forgoing use and location. Nothing herein shall be construed as granting any further rights, title or interest, express or implied, to any of the Society Hill at University Heights III, A Condominium's Common Elements, Units or Limited Common Elements not specifically set forth herein. The Grantee and its successors and assigns shall not use the easement for any other purpose except ingress and egress. Specifically prohibited within the easement area is the repair and/or storage and/or parking of motor vehicles, equipment or material of any type. Grantee, its successors and assigns shall not create a nuisance nor do any act which would be detrimental to the property or Common Elements of Society Hill at University Heights III, A Condominium.

The use of the easement rights herein conferred upon Grantee shall constitute Grantee's agreement to indemnify and hold harmless the Grantor and its affiliated entities and the officers, directors, shareholders, employees and agents of each of same as well as the Society Hill at University Heights Condominium Association III, Inc., the Society Hill at University Heights Condominium Association II, Inc., the Society Hill at University Heights Condominium Association I, Inc. and the University Heights Community Building Association, Inc., and their members, officers, trustees, directors, employees and agents from any and all claims of all types and descriptions related to injury to person, persons or

BK 524575 307

Schedule "A"



Title Insurance Commitment
By
Chicago Title Insurance Company



Agreement To Issue Policy

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within nine (9) months after the Commitment Date, our obligation under this commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The PROVISIONS in SCHEDULE A.
- The REQUIREMENTS in SCHEDULE B-1
- The EXCEPTIONS in SCHEDULE B-2
- The CONDITIONS on Page 2

KHOV034688

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.



Conditions

- | | | |
|---|--|--|
| 1. Definitions | <p>a. "Mortgage"—a mortgage, deed of trust or other security instrument.</p> <p>b. "Public Records"—title records that give</p> | <p>constructive notice of matters affecting the title—according to the state statutes where your land is located.</p> |
| 2. Later Defects | <p>The exceptions in Schedule B-Section 2 may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attach</p> | <p>between the Commitment Date and the date on which all of the Requirements (1) and (2) of Schedule B-Section 1 are met. We shall have no liability to you because of this amendment.</p> |
| 3. Existing Defects | <p>If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens</p> | <p>or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.</p> |
| 4. Limitation of Our Liability | <p>Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:</p> <ul style="list-style-type: none"> • Comply with the Requirements shown in | <p>Schedule B-Section 1
or</p> <ul style="list-style-type: none"> • Eliminate with our written consent any Exceptions shown in Schedule B-Section 2. <p>We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.</p> |
| 5. Claims Must Be Based On This Commitment | <p>Any claim, whether or not based on negligence, which you may have against us concerning the</p> | <p>title to the land must be based on this Commitment and is subject to its terms.</p> |

American
Land Title
Association

Title Insurance
Commitment-1982
(Rev. 10-19-88)



CHICAGO TITLE INSURANCE COMPANY

By

President.

Attest:

Secretary.

Form 10971
(Rev. 10-19-88)

Countersigned

Authorized Signatory

GERALD R. ALDI, ESQ.
95-HT-0286

KHOV034689

SCHEDULE B - SECTION 1
REQUIREMENTS

(CONTINUED)

ALAN
10. PROOF IS REQUIRED THAT ALL CONDOMINIUM DUES, CHARGES AND ASSESSMENTS HAVE BEEN PAID TO DATE. (A CERTIFICATE FROM THE CONDOMINIUM ASSOCIATION PURSUANT TO N.J.S.A., 46:8B-21 SHALL BE CONSIDERED SUFFICIENT PROOF.) IF REQUESTED PROOFS ARE NOT FORTHCOMING, THE POLICY WILL EXCEPT: "CONDOMINIUM DUES, CHARGES AND ASSESSMENTS, IF ANY, DUE AND OWING WITH RESPECT TO THE PREMISES IN QUESTION."

ALAN
11. WE REQUIRE PROOF OF PAYMENT OF ALL DUES, CHARGES AND ASSESSMENTS DUE AND OWING TO THE UNIVERSITY HEIGHTS COMMUNITY BUILDING ASSOCIATION, A SEPARATE AGENCY, AS SET FORTH IN THE FIFTH AMENDMENT OF THE MASTER DEED. THIS IS IN ADDITION TO THE CERTIFICATION REQUIRED BY THE CONDOMINIUM ASSOCIATION.

C
12. WE REQUIRE THAT THE AFFORDABLE HOUSING AGREEMENT, A COPY OF WHICH IS SET FORTH IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 594, BETWEEN THE BUYER AND THE CITY OF NEWARK HOUSING AUTHORITY MUST BE RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

X
13. A SECOND REPAYMENT MORTGAGE, A COPY OF WHICH IS PROVIDED IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 603, MUST BE EXECUTED BY THE BUYER AND RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

C
14. ~~THIS COMPANY HAS DETERMINED THAT THE SIXTH AMENDMENT TO THE MASTER DEED IN DEED BOOK 5324 PAGE 175 BE AMENDED IN VIEW OF THE APPARENT ERRONEOUS DESCRIPTION OF THE PHASED-IN PREMISES.~~ *Phased wrong (MASTER DEED) 6th Amend*

C
NOTE: SOLELY FOR THE PURPOSES OF EXPEDITING THE ISSUANCE OF THE FINAL TITLE POLICIES, THE COMPANY REQUIRES A COPY OF THE REAL ESTATE PROCEDURE STATEMENT (RESPA) WHERE APPLICABLE.

PART II:

U.S. DISTRICT AND NEW JERSEY SUPERIOR COURT SEARCHES SHOW RETURNS AS OF MARCH 21, 1995 AGAINST THE NAME(S) LILLIAN E. BOOKER THE PROPOSED INSURED (COPY ATTACHED).

22 phase 23

PSM

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

_____, Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: 3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700.00

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>33,700.00</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-23-95

"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

[Signature]

DATE 3-18-95

"BUYER"

Lillian Booker

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Sia Weems

FORM PR/DOR
1/22/90

KHOV034707

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LILLIAN E BOOKER (u) of 117 ROSE STREET/APT 1B
Tel: Res: (201) 824-6249 NEWARK
Bus: () - NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.17
BLDG NO.: 22 , UNIT NO: 11 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 18-MAR-1995
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 18-MAR-1995
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 17-APR-1995
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLCBL
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms
and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT"
attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) Lillian Booker 3-18-95 DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) [Signature] 3-23-95 DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE
AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034708



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *William Booker*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

William Booker 3-18-95
BUYER DATE

BUYER DATE

BY: *[Signature]* 3-23-95
DATE

KHOV034712

PSN

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: 3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700.00

Consisting of:

BASE PRICE of MODEL: \$ 33,700.00
and Premiums:

\$ _____
\$ _____
\$ _____
\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

DATE 3-18-95

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Jim Warren

"BUYER"

Lillian Booker

FORM PR/DOR
1/22/90

KHOV034713

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

Gillian Booker
Borrower

3-18-95
Date

Borrower

Date

(8/92)

KHOV034714



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. Julian Booker* BLDG/UNIT: *3211* MODEL: *1150*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *3/18*, 199~~4~~⁵ I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

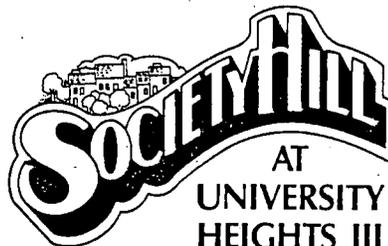
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Mr. Julian Booker *3-18-95*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034715

AK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Ollie R. Williams BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,125.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,945.80
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Ollie R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034720

ZZZ

K.HOVANIAN ONEWARK-URE RENEWAL CORP II

D.S.No : IW-22-13

PROJECT : IW - SOCIETY HILL @ UMIV. HEIGHTS III E&C

Printed: 19-FEB-1994

BLDG NO: 22 UNIT: I2
MODEL : STH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GEC29R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND	ALMOND	340.00 <M
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	ALMOND	ALMOND	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC156E	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WWA8620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDDG7680	WHITE	WHITE	375.00
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00
KTS00	KITCHEN COUNTRYTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLACE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ANNIHILATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
YES01	FLOORING PACKAGES -- STD. LAYOUT					1139.70 <M
04---SELECTIONS: INTERIOR---						
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"		150.00 <M
NEU01	BIFOLD DOORS	MASTER BEDROOM	NI-BIFOLD	4'0"		150.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		150.00 <M

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *W. Williams*
PURCHASER: _____
DATE: *2-19-94*

SALES REP: *Jim Weiss*
SALES MGR: *Robert 2-25-94*
CONST. MGR: *3-7-94*

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 'CK'

AMOUNT DUE AT CLOS \$ 4054.31

KHOV034721

BLOB NO: 22 UNIT: I2
MODEL : SH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GEC29R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	BSD300	ALMOND	ALMOND	340.00 <M
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	ALMOND	ALMOND	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WWAB62DR	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDDG7680	WHITE	WHITE	375.00
02---CABINEIS---						
KCS00	KITCHEN CABINETS	ALION LITE				0.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4143-6	NEUTRAL GLACE		0.00
03---FLOORING---						
Zone: 01 2ND FLOOR						
	CARPETING	ANNIHILATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	ANNIHILATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03 KITCHEN						
	LINOLEUM FLOORING	CAMBRAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1139.70 <M
04---SELECTIONS: INTERIOR---						
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	SYDBIFOLD	4'0"		0.00
MBS04	BIFOLD DOORS	2ND FLOOR LINEN	SYDBIFOLD	3'0"		0.00
MBU00	BIFOLD DOORS	LIVING ROOM STORAGE	MI-BIFOLD	4'0"		150.00 <M
MBU01	BIFOLD DOORS	MASTER BEDROOM	MI-BIFOLD	4'0"		150.00 <M
MBU02	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"		150.00 <M

1%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Chick Williams*
PURCHASER :
DATE : *2-19-94*

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

SALES REP : *Jim Wums*
SALES MGR : *Robert Rabon 2-25-94*
CONST. MGR : *3-7-94*

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 *CK*
AMOUNT DUE AT CLOS \$ 4054.31

Call Albert @ Aldo
Re: 175 Cancellation

KHOV034722

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 19-FEB-1994

BLDG NO: 22 UNIT: 12
MODEL : SIH1130-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADY01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSDB00	ALMOND	ALMOND	340.00 <M
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TPX19PAS	ALMOND	ALMOND	740.00
ANX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC158E	ALMOND	ALMOND	0.00
AUX02	WASHER	WASHER SUPER CAPACITY	WWAB620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XYR00G7680	WHITE	WHITE	375.00
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4143-6	NEUTRAL GLACE		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ANNIHILATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRAY	19 SY	68441		FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1139.70 <M
04---SELECTIONS: INTERIOR---						
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	SYDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	SYDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	MI-BIFOLD	4'0"		150.00 <M
NBU01	BIFOLD DOORS	MASTER BEDROOM	MI-BIFOLD	4'0"		150.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"		150.00 <M

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *W. Williams*
PURCHASER: _____
DATE: *2-19-94*

GRAND TOTAL \$ 4179.70
Incl. portg. Sel \$ 2564.70

SALES REP: *Jim Weiss*
SALES MGR: *Robert 2-25-94*
CONST. MGR: *3-7-94*

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 'CK'
AMOUNT DUE AT CLOS \$ 4054.31

KHOV034723

PROJECT : IM - SOCIETY HILL @ UNIV. HEIGHTS III EAC

Printed: 19-FEB-1994

BLDG NO: 32 UNIT: 12
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	WASTE DISPOSAL	DISPOSAL	GC23R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSDE00	ALMOND	ALMOND	340.00 <M
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TRX19PA9	ALMOND	ALMOND	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JWH131	BLACK	BLACK	505.00 <M
AKS00	RANGE	STANDARD RANGE	JGBC150E	ALMOND	ALMOND	0.00
AUX02	WASHER	WASHER SUPER CAPACITY	WVAB620R	WHITE	WHITE	500.00
AYX02	DYER	DYER 5 CYCLE	XTBUD67690	WHITE	WHITE	375.00
02---CABINETS---						
KCB00	KITCHEN CABINETS	ALTON LITE				0.00
KTC00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLACE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ANNIHILATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
YFS01	FLOORING PACKAGES -- STD. LAYOUT					1139.70 <M
04---SELECTIONS: INTERIOR---						
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"		150.00 <M
NBU01	BIFOLD DOORS	MASTER BEDROOM	NI-BIFOLD	4'0"		150.00 <M
NBU02	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		150.00 <M

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
PURCHASES: *[Signature]*
DATE: 2-7-94

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 *CR*

SALES REP: *[Signature]*
SALES MGR: *[Signature]* 2 25 94
CONST. NO: *[Signature]* 2-7-94

AMOUNT DUE AT CLOS \$ 4054.31

KHOV034724

BLOG NO: 22 UNIT: 12
MODEL : SH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 03-FEB-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADY01	WASTE DISPOSAL	DISPOSAL	QFC298			130.00 CH
ADY01	DISHWASHER	1ST LEVEL 3 CYCLE	GS8500	ALMOND	ALMOND	340.00 CH
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TRX19P4S	ALMOND	ALMOND	740.00
ANX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JWH191	BLACK	BLACK	585.00 CH
AN500	RANGE	STANDARD RANGE	JDBCL59E	ALMOND	ALMOND	0.00
AUX02	WASHER	WASHER SUPER CAPACITY	UNW8620E	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 3 CYCLE	YTRD87680	WHITE	WHITE	375.00
02---CABINETS---						
KCC00	KITCHEN CABINETS	ALTON LITE				0.00
KTC00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4143-6	NEUTRAL GLACE		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNUNTIATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ANNUNTIATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03	KITCHEN LINOLEUM FLOORING	CANBRAY	19 SY	68441		FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES -- STD. LAYOUT					1139.70 CH
04---SELECTIONS: INTERIOR---						
NR003	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
NR004	BIFOLD DOORS	2ND FLOOR LIREN	STDBIFOLD	3'0"		0.00
NR005	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"		150.00 CH
NR001	BIFOLD DOORS	MASTER BEDROOM	NI-BIFOLD	4'0"		150.00 CH
NR002	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		150.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature] GRAND TOTAL \$ 4179.70
 PURCHASER : _____ Incl. hortg. Sel \$ 2564.70
 DATE : 1-27-94
 SALES REP : Jim Williams AMOUNT DUE NOW \$ 125.39
 SALES MGR : [Signature] AMOUNT PAID NOW \$ 125.39 "CW"
 CONST. NOB : 2-7-94 AMOUNT DUE AT CLOS \$ 4054.31

KHOV034725

PROJECT : IM - SOCIETY HILL & UNIV. HEIGHTS III DB

Printed: 19-FEB-1994

BLDG NO: 23 UNIT: 12
MODEL : SCH150-U DUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-FEB-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	WASTE DISPOSAL	DISPOSAL	QEC298			130.00 CH
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	BSD600	ALMOND	ALMOND	340.00 CH
ADK02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19FAS	ALMOND	ALMOND	740.00
AKX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 CH
AR500	RANGE	STANDARD RANGE	JGBC15QE	ALMOND	ALMOND	0.00
AUX02	WASHER	WASHER SUPER CAPACIT	WA8620R	WHITE	WHITE	500.00
AYK02	DRYER	DRYER 3 CYCLE	YRDD07680	WHITE	WHITE	375.00
02---CABINETS---						
NCE00	KITCHEN CABINETS	ALTON LITE				0.00
NY500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLACE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	39.33 SY	3589 WILD ROSE	FCC0101A01
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	ANNIHILATOR	27	75.67 SY	3589 WILD ROSE	FCC0102A01
Zone: 03	KITCHEN LINOLEUM FLOORING	CANBRAY		19 SY	68441	FLE0103A00
Package includes UPGRADE Padding in carpeted areas						
YK501	FLOORING PACKAGES -- STD. LAYOUT					1139.70 CH
04---SELECTIONS: INTERIOR---						
HD503	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
HD504	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
HDU00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		150.00 CH
HDU01	BIFOLD DOORS	MASTER BEDROOM	HI-BIFOLD	4'0"		150.00 CH
HDU02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		150.00 CH

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PURCHASER : _____	GRAND TOTAL \$	4174.70
PURCHASER : _____	Incl. Horig. Sel \$	2564.70
DATE : _____	AMOUNT DUE NOW \$	135.39
SALES REP : <i>John Williams</i>	AMOUNT PAID NOW \$	135.39 "CH"
SALES MGR : _____	AMOUNT DUE AT CLOS \$	4034.31
CONST. NOB : _____		

KHOV034726

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Ollie R. Williams BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,125.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
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5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Ollie R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034734

SUMMARY OF BASIC PROVISIONS

CC10

The SELLER: K. HOVNANIAN URBAN RENEWAL CORP. Located at: 10 HWY 35, P.O. BOX 500, RED BANK, NEW JERSEY, 07701.

The BUYER(S): OLLIE R WILLIAMS (u) of 120 VASSAR AVENUE/2ND FLOOR, NEWARK, NJ 07112. Tel: Res: (201) 310-7854, Bus: (201) 704-3919.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III B&C, NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 22.18. ALC NO: 22, UNIT NO: 12, MODEL: KTH150 U - 12FFR.

The PURCHASE PRICE: \$101,950.00. Consisting of: BASE PRICE of MODEL: \$101,950.00.

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994; ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994; ADDITIONAL DEPOSIT \$ 2,050.50 BY DATE: 07-MAR-1994; BALANCE at CLOSING \$ 98,899.50 PAID by CERTIFIED CHECK; Total PAYMENT \$101,950.00.

MORTGAGE AMOUNT: \$ 98,850.00. MORTGAGE CONTINGENCY DATE: 06-APR-1994. Estimated COMPLETION DATE: 15-FEB-1994. DY-MON-YEAR.

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

Ollie R. Williams 2-5-94 (BUYER) DATE

[Signature] 2-8-94 (SELLER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarusa, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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2. CLOSING CHARGES	1
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse: any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: *Oliver Williams*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Oliver Williams 2-5-94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 2-8-94
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): OLLIE R WILLIAMS (u) of 120 VASSAR AVENUE/2ND FLOOR
 Tel: Res: (201) 318-7854 NEWARK
 Bus: (201) 705-3919 NJ , 07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILLS @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.18
 BLDG NO: 22 , UNIT NO: 12 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
 Consisting of:
 BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	05-FEB-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	05-FEB-1994
	ADDITIONAL DEPOSIT	\$ 2,058.50	BY DATE	07-MAR-1994
	BALANCE at CLOSING	\$ 98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 06-APR-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Ollie R Williams 2-5-94
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Williams BLDG./UNIT NO: 22-13 MODEL NO: 1150

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 2/5, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Handwritten signature and date 2-5-94

BUYER

DATE

BUYER

DATE

BUYER

DATE

BUYER

DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034746

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): INEZ HURSTON (u) of 467 CLINTON AVENUE/APT A
 Tel: Res: (201) 622-5656 NEWARK
 Bus: (201) 430-2706 NJ 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.19
 BLDG NO.: 22 , UNIT NO: J1 , MODEL: SM1050-GL >LOWER M.L.L.

The PURCHASE PRICE : \$ 33,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$ 0.00	ON DATE	07-JAN-1994
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	07-JAN-1994
ADDITIONAL DEPOSIT	\$ 11.00	BY DATE	06-FEB-1994
BALANCE at CLOSING	\$ 32,689.00	PAID by	CERTIFIED CHECK
Total PAYMENT		\$ 33,700.00	

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 08-MAR-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.	<i>[Signature]</i>	1-7-94
(SELLER)	(BUYER)	DATE
<i>[Signature]</i>	<i>[Signature]</i>	DATE
(SELLER)	(BUYER)	DATE
	<i>[Signature]</i>	DATE
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

- 15. ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
- 16. NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
- 17. DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
- 18. WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 7th day of January, 1994.

Buyer: [Signature]

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 1-7-94
BUYER DATE

BUYER DATE

BY: [Signature] 1.14.94
WAYNE SOCIETY, DIRECTOR OF MARKETING AND SALES DATE

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701

TERMS AND CONDITIONS - PURCHASE AGREEMENT The BUYER(S): INEZ HURSTON of 467 CLINTON AVENUE/APT A NEWARK NJ 07108. Tel: Res: (201) 622-5656 Bus: (201) 430-2706

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.19 BLDG NO.: 22 UNIT NO: J1 MODEL: STH1050-GL LOWER M.L.L. L

The PURCHASE PRICE: \$ 33,700.00 49A NICKLIFFE ST.

Consisting of: CHANGING BASE PRICE of MODEL \$ 33,700.00 FIRE AND OTHER TAXES. The PAYMENT TERMS: 1. INITIAL DEPOSIT UNIVERSITY \$0.00 ON DATE 07-JAN-1994 2. HURSTON SIGNING CONTRACT \$10,000.00 ON DATE 07-JAN-1994 3. LICENS ADDITIONAL DEPOSIT \$ 11.00 BY DATE 06-FEB-1994 4. DEFAL BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK 5. Total PAYMENT \$ 33,700.00 MORTGAGE AMOUNT \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 08-MAR-1994 Estimated COMPLETION DATE: 15-FEB-1994

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE 1-2-94

(SELLER) DATE (BUYER) THREE (3) BUSINESS DAYS FROM DATE (BUYER) CAN REVIEW AND CANCEL THE CONTRACT DATE (BUYER) (SIGNED BY THIS AS SET FORTH) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc and Development of the New Jersey Department of Community Affairs. Attn: H. Michael McGreevey of the 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

and after mortgage application fee, credit report, appraisal, mortgage term insurance and any fees or costs incurred by mortgagee. These fees expressly exclude escrow and notary fees incidental to a mortgage closing.

ADJUSTMENT: Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges and interest, if any, are to be apportioned as of the date of closing. Any bills payable shall be billed by the City until after closing.

CLOSING OF TITLE: Closing of title is to take place immediately after completion of the unit at the time specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality which may be a temporary Certificate of Occupancy. Seller or mortgagee supplies or pays for title attorney. Buyer may have his own attorney at Buyer's own expense. Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller under this Agreement is for the sale of a condominium unit on improved land to the Buyer if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or unable to close on the date and the time specified by Seller or Seller's option, Seller may exercise its rights as set forth in paragraph 12 below or have Buyer reimburse Seller in amount to reimburse the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the unit. Proceeds of closing are to be paid to Seller only by bank cashier's check. Uncertified attorney's trust account checks are not acceptable.

DEED: Seller agrees to deliver a Bargain and Sale Deed with covenants against Grantor's Acts, Affidavit of Title, and a Preliminary Statement at Closing of title. Title shall be revealed and recorded. Taxes will be figured at regular rates by a professional returned to do business in the State of New Jersey with the office of Eastern Title Agency, Inc., One Independence Way, Suite B, Eatontown, New Jersey 07724, an agent of Eastern Title Insurance Company, to insure the property. Seller shall constitute good and marketable title. Buyer is obligated to obtain title insurance from Eastern Title Insurance Company which is an affiliate of the Seller.

KHOV034776



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ma. Hamilton BLDG./UNIT NO: 3231 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/7, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER [Signature] DATE 1-7-94

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034777



ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

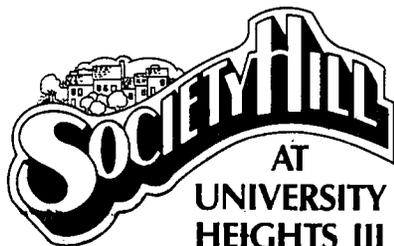
BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.

A handwritten signature in black ink, appearing to read 'Wayne Soojian', is written over a horizontal line.

WAYNE SOOJIAN



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034794

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): MYRTEL GAYLE (W) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: (201) 676-1000 NJ ,07111.

ARTHUR L. GAYLE (H) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.20
BLDG NO.: 22 , UNIT NO: J2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 11-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 11-DEC-1993
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 10-JAN-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 09-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
(SELLER) 12-22-93 DATE

* Myrte Gayle 12-18-93 (BUYER) DATE
* Arthur L. Gayle 12-18-93 (BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. SELLER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18th day of December, 1993.

Buyer: *Myrdel Graybe*

Lisa M. Weems

Buyer: *Arthur L. Graybe*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Myrdel Graybe 12-18-93
BUYER DATE

Arthur L. Graybe 12-18-93
BUYER DATE

BY: *Wayne Soojian* 12-23-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GENEVARI-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701

The BUYER(S): MYRTLE GAYLE (W) of 726 LYONS AVENUE/APT 2 IRVINGTON NJ 07111

ARTHUR A. GAYLE (H) of 726 LYONS AVENUE/APT 2 IRVINGTON NJ 07111

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.20 BLDG NO: 22 UNIT NO: J2 MODEL: STH1050-UM UPPER M.L.M

The PURCHASE PRICE: \$ 63,700.00 Consisting of: BASE PRICE of MODEL \$ 63,700.00

49B Wickliffe St

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 11-DEC-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 11-DEC-1993 ADDITIONAL DEPOSIT \$ 911.00 BY DATE 10-JAN-1994 BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK

MORTGAGE AMOUNT: ENTIRE \$61,750.00 PRESE MORTGAGE CONTINGENCY DATE: 09-FEB-1994 SITE VISITS Estimated COMPLETION DATE: 15-FEB-1994

22. TERMS AND CONDITIONS - PURCHASE AGREEMENT 23. MORTGAGE CONTINGENCY 24. INSURANCE

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. ON ATTORNEY REVIEW FOR DETAILS YOU HAVE ADMIRATION AND IN THE PUBLIC OFFICE.

(SELLER) All deposits shall be held in trust in Bank of New Jersey, N.A. (BUYER) at University Heights III Factory Ac of this Contract, or until a bond is sent to the Division of Housing and Development of the New Jersey Department of Community Affairs.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required. The BROKER, BuLandarama, Inc. also mortgage Attorney, Michael McGreevey, Red Bank, NJ 07701.

Closing of title is to take place immediately after completion of the unit at the time, date and place... The Seller is obligated to erect within a period of two years... Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey.

5. TITLE - Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and a copy of Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey.

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

- Application Fee: \$0 - \$195.00
- Origination/Commitment Fee: \$0 - 1% of Loan Amount
- Discount Fee: \$0 - 3% of Loan Amount
- Appraisal: \$175.00 - \$225.00
- Final Inspection (if necessary): \$50.00 - \$75.00
- Credit Report: \$48.00 - \$55.00 (per report)
- Flood Certification: \$14.50
- Overnight Delivery (if necessary): \$18.50
- Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

Mirred Gaepe
Borrower

12-11-93
Date

Borrower

Date

(8/92)

KHOV034812



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Gayle BLDG./UNIT NO: 2352 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/11, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: Myrdal Gayle DATE: 12-11-93



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034813

SUMMARY OF BASIC PROVISIONS

at IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): KRISTAL L DARGON (u) of 264 CHADWICK AVENUE/2ND FLOOR
Tel: Res: (201) 242-8831 NEWARK
Bus: (201) 371-0113 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.23
BLDG NO.: 22 , UNIT NO: L1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 11.00 BY DATE 03-JAN-1994
BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS OF PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

12.10.93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Kristal Dargon 12-4-93

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034837



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to: change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4th day of December, 1993.

Buyer: [Signature]

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 12-4-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 12-10-97
WAYNE SOOJAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV034841

S U M M A R Y O F B A S I C P R O V I S I O N S

at (1010)

The SELLER: K. HOVNANIAN ONEIARL-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): KRISTAL L. DARGON ^(u) of 264 CHADWICK AVENUE/2ND FLOOR
 Tel: Res: (201) 242-8831 NEWARK
 Bus: (201) 371-0113 NJ , 07108.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.23
 BLDG NO.: 22 , UNIT NO: 11 , MODEL: 5TH1050-GE FLOWER M.L. 11

The PURCHASE PRICE : \$ 33,700.00 *45A Wickliffe St.*
 Consisting of:
 BASE PRICE OF MODEL \$ 33,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	04 DEC 1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04 DEC 1993
	ADDITIONAL DEPOSIT	\$ 11.00	BY DATE	03 JAN 1994
	BALANCE at CLOSING	\$ 32,689.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 33,700.00		

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02 FEB 1994
 Estimated COMPLETION DATE: 15 FEB 1994
 DV-MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K
 K. Hovnanian at Newark - (BUYER) *Kristal Dargon 12-4-93* DATE
 Urban Renewal Corporation III, Inc. (BUYER) DATE
 (SELLER) DATE (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
TO: Ms. Dargon BLDG./UNIT NO: 2241 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/4, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

[Signature] 12-4-93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034853

SUMMARY OF BASIC PROVISIONS

AK IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DAISY B CLARK (u)
 Tel: Res: (201) 624-6507 of 440 WASHINGTON STREET/APT 6H
 Bus: (201) 450-2292 NEWARK
 NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.24
 BLDG NO.: 22 , UNIT NO: L2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :
 INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1993
 ADDITIONAL DEPOSIT \$ 911.00 BY DATE 06-DEC-1993
 BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK

 Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.
[Signature]
 (SELLER) 11.11.93
 DATE

Daisy B Clark 11/6/93
 (BUYER) _____ DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 12, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: Daisy B Clark

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Daisy B Clark 11/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 11.11.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

SUMMARY OF BASIC PROVISIONS

AK 1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DAISY B CLARK (u) of 440 WASHINGTON STREET/APT 6H
 Tel: Res: (201) 624-6507 NEWARK
 Bus: (201) 450-2292 NJ , 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.24
 BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.F. M

The PURCHASE PRICE : \$ 63,700.00
 Consisting of:
 BASE PRICE OF MODEL \$ 63,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	06-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-NOV-1993
	ADDITIONAL DEPOSIT	\$ 911.00	BY DATE	06-DEC-1993
	BALANCE at CLOSING	\$ 61,789.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 63,700.00		

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Daisy B Clark 11/6/93
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)
 _____ DATE
 (BUYER)

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

Daisy B Clark
Borrower

11/6/93
Date

Borrower

Date



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. D. Clark BLDG./UNIT NO: 2422 MODEL NO: 1850

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/6, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Daisy B Clark 11/6/93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034892

AMENDMENT TO PURCHASE AGREEMENT
BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC. SELLER AND

CARRISSA WILLIAMS

BUILDING: 22 UNIT: M1 PURCHASE AGREEMENT DATE: 9/30/95

SELLER WILL PAY 2 POINT(S) TOWARDS CLOSING ON THE ABOVE NAMED HOME,
TO TAKE PLACE BY OCTOBER 31, 1995

Carissa Williams 10/30/95
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VAN VELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV034914

[Handwritten initials]

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP I Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CARRISSA M WILLIAMS (u) of 16 CUTLER STREET
Tel: Res: (201) 481-4050 NEWARK
Bus: (212) 581-0300 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: COMMUNITY: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.25
BLDG NO.: 22 , HOME NO: M1 , MODEL: STH150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-SEP-1995
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-SEP-1995
	ADDITIONAL DEPOSIT	\$ 1,758.50	BY DATE	30-OCT-1995
	BALANCE at CLOSING	\$ 89,191.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 91,950.00		

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

<i>[Signature]</i>	DATE
(BUYER)	DATE

(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034920



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Cassandra M. Williams*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Cassandra M. Williams 9/30/95
BUYER DATE

BUYER DATE

BY: *[Signature]* 10-2-95
DATE

KHOV034924

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

*Carissa M. Williams 9/30/95
Borrower Date

Borrower Date

(8/92)

KHOV034925



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Williams

BLDG/UNIT: 7741

MODEL: 1150

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to acknowledge that on 9/30, 1995 We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER: Caroline M. Williams DATE: 9/30/95

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034926

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 3/1/94
DATE

X Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV034937

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

ALFREDA E. COACHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coachman

KHOV034938

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

*Sent thru
mail for her
signature
2-25-94*

KHOV034939

OK

APPENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

ALFREDA E. COACHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT, DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coachman

KHOV034940

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F1

The Purchase Agreement between ALFREDA E. COACHMAN BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/20/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,433.81
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 91,600.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-20-93
DATE

Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE BOCCIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

*switched
to unit
22m2*

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 3/1/94
DATE

X Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034963

BLDG NO: 22 UNIT: N2
MODEL : 5TH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : COACHMAN
CONTRACT DATE: 24-feb-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSU300	BLACK	BLACK	340.00 CR
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	13X12P45	WHITE	WHITE	740.00
ANS00	RANGE HOOD	STANDARD RANGE HOOD	JN323	WHITE	WHITE	0.00 CR
ARS00	RANGE	STANDARD RANGE	JGEC158E	WHITE	WHITE	0.00
AWX01	WASHER	WASHER LARGE CAPACIT	WWS5600	WHITE	WHITE	470.00 CR
AYX01	DRYER	DRYER 4 CYCLE	XTR00336E0	WHITE	WHITE	345.00 CR

02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TARGO				675.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00

03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	VERSATILITY	26	39.33 SY	6211 MELLOW BEIGE	FCC0101A00
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	VERSATILITY	25	75.67 SY	6211 MELLOW BEIGE	FCC0103A00
Zone: 02	VINYL COMPOSITION TI VCT			191 SF	51839 FORTRESS WHITE	FVC0103A00
Package includes UPGRADE Padding in carpeted areas						
YES01	FLOORING PACKAGES	STD. LAYOUT				498.95 CR

04---SELECTIONS: INTERIOR---						
NBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00
NBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STBIFOLD	4'0"		0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STBIFOLD	3'0"		0.00
NBU01	BIFOLD DOORS	MASTER BEDROOM	M1-BIFOLD	4'0"		150.00 CR

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : X *John J. Coachman*
PURCHASER : _____
DATE : X *3/1/94*

SALES REP : Alison Rabon 2-24 94
SALES. NBR : _____
CONST. NBR : _____

GRAND TOTAL \$ 3218.95
Incl. Mortg. Sel \$ 1803.95

AMOUNT DUE NOW \$ 96.57
AMOUNT PAID NOW \$ 0.00 'CR'

AMOUNT DUE AT CLOS \$ 3218.95

KHOV034964

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: R. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): ALFREDA E. COACHMAN of 130 SOUTH 8TH STREET NEWARK NJ 07107. Tel: Res: (201) 623-1497 Bus: (201) 733-7045

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.26 BLDG NO.: 22 UNIT NO: M2 MODEL: STH1150-U UPPER

The PURCHASE PRICE : \$101,950.00 Consisting of: BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 24-FEB-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 24-FEB-1994 ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 26-MAR-1994 BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,800.00 MORTGAGE CONTINGENCY DATE: 25-APR-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark - Urban Renewal Corporation III, Inc. (SELLER) DATE 3-1-94

Alfreda E Coachman 2/24/94 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Bandarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV034965



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

SUMMARY OF BASIC PROVISIONS

1016

OK

The SELLER: K. HOVNANIAN URBAN RENEWAL CORP. Located at: RED BANK NEW JERSEY 07701

The BUYER(S): ALFREDA E. COACHMAN PURCHASE AGREEMENT 130 SOUTH 8TH STREET NEWARK NJ 07107

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.26 BLDG NO: 22 UNIT NO: M2 MODEL: ETH1150-U UPPER

The PURCHASE PRICE: \$101,950.00 Consisting of: BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 24-FEB-1994; SIGNED CONTRACT \$ 100,000.00 ON DATE 24-FEB-1994; ADDITIONAL DEPOSIT \$ 2,050.50 BY DATE 26-MAR-1994; BALANCE at CLOSING \$ 98,899.50 PAID BY CERTIFIED CHECK; Total PAYMENT \$101,950.00

MORTGAGE AMOUNT: \$ 98,800.00 MORTGAGE CONTINGENCY DATE: 25-APR-1994; Estimated COMPLETION DATE: 15-FEB-1994

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation, Inc.

Alfreda E. Coachman 2/24/94 (BUYER) DATE

26. OWNER/BUYER (BUYER) DATE

(SELLER) 27. ACCEPTANCE DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Renew Landmark, Inc. 100 Highway 35, P.O. Box 800, Red Bank, NJ 07701

Buyer will pay the cost for... Buyer will pay... Seller agrees to deliver a Bargain and Sale Deed... Title shall be guaranteed... Seller agrees to deliver a Bargain and Sale Deed...

KHOV034970

AR

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET NEWARK NJ ,07107. Tel: Res: (201) 623-1497 Bus: (201) 733-6446

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 , LOT NO: 22.11 BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-AUG-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-AUG-1993 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 13-SEP-1993 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993 Estimated COMPLETION DATE: 15-DEC-1993 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc. (SELLER) DATE 8-10-93 Alfreda E. Coachman (BUYER) DATE 8/14/93

Execution of Both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

Switched Into 22m2 2-24-94 (AR)



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured, at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4 day of August, 1993.

Buyer: Alfeda L. Coachman

[Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Alfeda L. Coachman 8/14/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 8/16/93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034989

AR

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET
NEWARK
NJ ,07107.
Tel: Res: (201) 623-1497
Bus: (201) 733-6446

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

110 Callahan Ct

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-AUG-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-AUG-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 13-SEP-1993
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Alfreda E. Coachman 8/14/93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034993



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: COACHMAN BLDG./UNIT NO: 22F1 MODEL NO: 1150 Retic

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on August 17, 1993 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

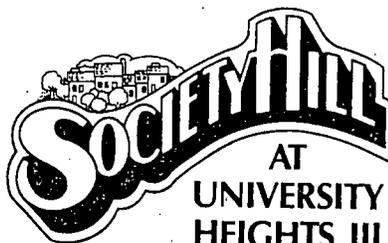
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Alfreda E. Coachman 8/14/93 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV034995

CB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)
Donavan P. Soumas, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/13/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00.

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE 8/27/94

BUYER * Jonathan H. Gentry

BUYER * Donovan P. Soumas

BUYER

SELLER CORPORATION:

BY: [Signature]
"SELLER"

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV035076

JB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry
Donavon P. Soumas, BUYER

UNIT N1, BUILDING 27, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Jonathan H. Gentry 8/27/94
BUYER DATE

x Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035077

SUMMARY OF BASIC PROVISIONS

LC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JONATHAN H. GENTRY (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ ,07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ETC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.27
 BLDG NO.: 22 , UNIT NO: M1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE OF MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-AUG-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-AUG-1994
 ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 12-SEP-1994
 BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK

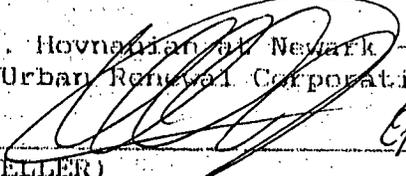
 Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark -
 Urban Renewal Corporation III, Inc.

 8/18/94

 (SELLER) DATE

x Jonathan H. Gentry 8/13/94
 (BUYER) _____
 x Donavon P. Soumas 8/13/94
 (BUYER) _____

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701.

KHOV035081

SB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry
Donavon P. Soumas, BUYER

UNIT N1, BUILDING 22, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Jonathan H. Gentry 8/27/94
BUYER DATE

x Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035083

CB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33 UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)
Donavon P. Souma, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 8/13/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE 8/27/94

x Jonathan H. Gentry
BUYER

x Donavon P. Souma
BUYER

BUYER

SELLER CORPORATION:

BY: _____
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY ; 07701.

The BUYER(S): JONATHAN H. GENTRY (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ ,07104.

DONAVON P. SOUMAS (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.27
 BLDG NO.: 22 , UNIT NO: N1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE OF MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-AUG-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-AUG-1994
 ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 12-SEP-1994
 BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.	<i>[Signature]</i> 8/16/94	<i>[Signature]</i> 8/13/94	DATE
(SELLER)	DATE	(BUYER)	DATE
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035086

SUB

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): JONATHAN H GENTRY (U) of 381 BROAD STREET/1308A NEWARK NJ 07104. Tel: Res: (201) 481-7612 Bus: ()

DONAVON P SOUMAS (U) of 381 BROAD STREET/1308A NEWARK NJ 07104. Tel: Res: (201) 481-7612 Bus: ()

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.27 BLDG NO.: 22 UNIT NO: 01 MODEL: STH1330-G LOWER

The PURCHASE PRICE : \$103,950.00 Consisting of: BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-AUG-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-AUG-1994 ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 12-SEP-1994 BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation (U) Inc. 9/18/94 (SELLER) DATE

Jonathan H Gentry 8/13/94 (BUYER) DATE DONAVON P Soumas 8/13/94 (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

KHOV035090

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Jonathan H. Gentry*
Buyer: *Donavon P. Sauma*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Jonathan H. Gentry 8/13/94
BUYER DATE
Donavon P. Sauma 8/13/94
BUYER DATE
BY: *[Signature]* 8/15/94
DATE

S U M M A R Y O F B A S I C P R O V I S I O N S

1C10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JONATHAN H GENTRY (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ , 07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () NJ , 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EGC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.27
 BLDG NO.: 22 , UNIT NO: 01 , MODEL: STH1330-G)LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	13-AUG-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	13-AUG-1994
	ADDITIONAL DEPOSIT	\$ 2,118.50	BY DATE	12-SEP-1994
	BALANCE at CLOSING	\$100,831.50	PAID by CERTIFIED CHECK	
	Total PAYMENT	\$103,950.00		

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Jonathan H. Gentry 8/13/94
 (BUYER) DATE
Donavon P. Soumas 8/13/94
 (BUYER) DATE

(SELLER)	DATE	(BUYER)	DATE
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV035097



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Hentzy / Soumas* BLDG/UNIT: *4321* MODEL: *1330*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *8/13*, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Jonathan H. Hentzy 8/13/94
BUYER DATE

x Donovan P. Soumas 8/13/94
BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035098

ROYAL INSURANCE NEW JERSEY HOMEOWNERS APPLICATION
05-30-1995

ROYAL-INDEMNITY COMPANY-----NEW Policy # *Ric 1562000*

+-- AGENCY -----+ APPLICANT -----+	
MEEKER SHARKEY & MACBEAN	DEBRA SMITH
21 COMMERCE DRIVE	41 WICKLIFF STREET
CRANFORD	NEWARK, NJ 07103
(908) 272-8100	Effective Date..
Agency Code... 1562000	12:01 AM 05-31-95 Expiration Date.
	12:01 AM 05-31-96

+-- BILLING -----+
DIRECT Billing of 1 Installments by the INSURED

+-- MORTGAGEE -----+
Loan # :

+-- COVERAGE -----+
PREFERRED Policy Form HO-6A Firemark C/O I MULTIFAMILY

COVERAGE and LIMITS of LIABILITY	
(A) Dwelling.....	\$ 20,000
(B) Other Structures.....	\$ 0
(C) Personal Property.....	\$ 40,000
(D) Loss of Use.....	\$ 8,000
SECTION I Combined Total.....	\$ 68,000
(E) Personal Liability.....	\$ 300,000
(F) Medical Payment.....	\$ 2,000
Deductible for SECTION I Coverages.....	\$ 250

Premium for Basic Coverage.....\$ 222.25

+-- ENDORSEMENTS -----+

SPECIAL PROVISIONS ENDORSEMENT HO-300 & 85054 & 84435	
HO-216	\$ -2.80 Protective Devices
HO-90	\$ 1.00 Workers Compensation Coverage
HO-32	\$ 29.40 Unit-Owners Building Items
HO-35	\$ 32.20 Loss Assessment
87769	\$ 25.00 Water Backup of Sewer Drains
Endorsements Premium.....	\$ 84.80

Base Premium Plus Endorsements.....\$ 307.05

+ Preferred Policy Credit Allowed.....\$ 55.09

+ Annual Premium.....(Rounded to Even Dollar).....\$ 252.00

| No Installments Selected |

(Handwritten initials)

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22 UNIT: N2

The Purchase Agreement Between DEBRA W. SMITH, BUYER(S)
ROSA A. SOSA, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 2/24/95.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 116,608.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,608.70
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,100.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 114,998.70

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE 3/3/95

Debra Smith
BUYER

Rosa A. Sosa
BUYER

BUYER

SELLER CORPORATION:
BY: Laura Vanvelthoven
LAURA VANVELTHOVEN

KHOV035127

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND
DEBRA W. SMITH

ROSA A. SOSA, BUYER

UNIT N2, BUILDING 22, PURCHASE AGREEMENT DATE 2/24/95

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY MARCH 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Debra Smith 3/3/95
BUYER DATE

Rosa A. Sosa 3/3/95
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTROVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV035128

2/24/95

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ ,07304.

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 3
Tel: Res: (201) 869-1791 WEST NEW YORK
Bus: (212) 631-7373 NJ ,07093.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.
(SIGNATURE) DATE 2-25-95
(BUYER) DEBRA SMITH DATE 2/24/95
(BUYER) ROSA A SOSA DATE 2/24/95
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035137



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid; without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

19. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Debra Smith*

Buyer: *Roseanne*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Debra Smith 2/24/95
BUYER DATE

Roseanne 2/24/95
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* 2-28-95
DATE

KHOV035141

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
 Tel: Res: (201) 434-5290 JERSEY CITY
 Bus: (212) 746-5221 NJ ,07304.

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 3
 Tel: Res: (201) 869-1791 WEST NEW YORK
 Bus: (212) 631-7373 NJ ,07093.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.28
 BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
 BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHEC

 Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Debra Smith 2/24/95
 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035145

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
 Tel: Res: (201) 434-5290 JERSEY CITY
 Bus: (212) 746-5231 NJ , 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.28
 BLDG NO: 22 , UNIT NO: N2 , MODEL: STM1330-0 UPPER

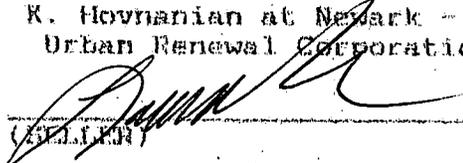
The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

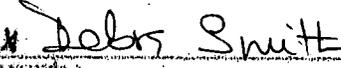
The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	06-NOV-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-NOV-1994
	ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	06-DEC-1994
	BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$109,950.00		

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
 Estimated COMPLETION DATE: 15-FEB-1994
 YY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) 11-10-94
 DATE


 (BUYER) 11/6/94
 DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE
 (BUYER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: John Smith

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

John Smith 11/6/94
BUYER DATE

BUYER DATE

BY: [Signature] 11-10-94
DATE

The SELLER: K. HOVNANIAN @NEWARK URBAN RENEWAL CORP (Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.2B
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK

Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

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P U R C H A S E A G R E E M E N T

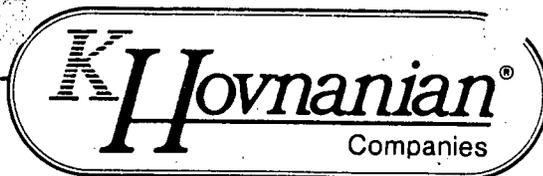
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This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.	<u>Debra Smith</u>	<u>11/6/94</u>
(SELLER)	(BUYER)	DATE
<u>[Signature]</u>	(BUYER)	DATE
DATE <u>11-10-94</u>	(BUYER)	DATE
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: Debra Smith

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Debra Smith BUYER 11/6/94 DATE

BUYER DATE

BY: [Signature] 11-10-94 DATE

51B

S-U-M-M-A-R-Y O F T E R M S A N D C O N D I T I O N S

1010

The SELLER: K. HOVNIANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434 5290 JERSEY CITY
Bus: (212) 746 5221 NJ 07304

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.2B
BLDG NO.: 22 UNIT NO: N2 MODEL: STH130-U DUPLEX

The PURCHASE PRICE: \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT: \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
Urban Renewal Corporation III, Inc.

Debra Smith 11/6/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035168



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Debra Smith BLDG/UNIT: 3303 MODEL: 1330

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Nov. 6, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Debra Smith BUYER DATE 11/6/94

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV035172



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MARSHALL
Lot: 22.01 Block: 406
Address: 90 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$106,972.97

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
cook place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

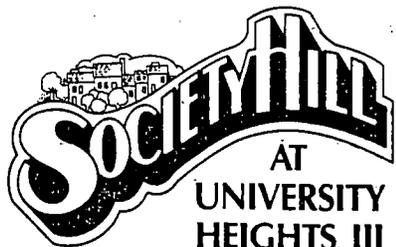
Please change your account records immediately to reflect the above.

Very truly yours,

GAETANA MARSHALL

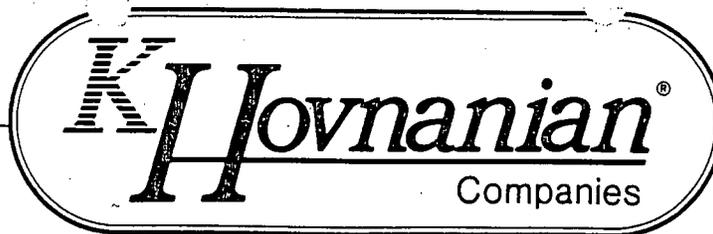
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035179



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MARSHALL
Lot: 22.01 Block: 406
Address: 90 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$106,972.97

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Gaetana Marshall
GAETANA MARSHALL

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035180

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND GAETANA MARSHALL, UNMARRIED

the GRANTEE

about to reside at 90 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$106,972.97 ONE HUNDRED SIX THOUSAND NINE HUNDRED SEVENTY TWO AND 97/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. TRBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

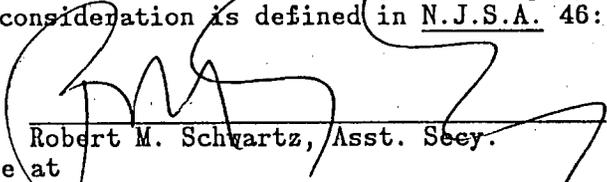
KHOV035208

Robert M. Schwartz, Asst. Sec.

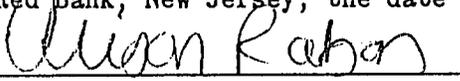
Prepared by: ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 106,972.97.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE GAETANA MARSHALL

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber GAETANA MARSHALL, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
GAETANA MARSHALL

CHARGE, RECORD AND RETURN TO BETTE R. GRAYSON, ESQUIRE
155 MORRIS AVENUE
P.O. BOX 75
SPRINGFIELD, NJ 07081

KHOV035209

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 50000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: GAETANA MARSHALL, UNMARRIED
90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035218

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5,000,000 PRODUCTS-COMP/OP AGG. \$ 3,000,000 PERSONAL & ADV. INJURY \$ 3,000,000 EACH OCCURRENCE \$ 5,000 FIRE DAMAGE (Any one fire) \$ 5,000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
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A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: GAETANA MARSHALL, UNMARRIED
90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035227

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

COVERAGES

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A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LCC: GAETANA MARSHALL, UNMARRIED
90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035228

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

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INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
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A	Blkt. Bldg. & Cnts Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
					\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GAETANA MARSHALL, UNMARRIED
LOC: 90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035229

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492 414 THE MINES PRESS, INC. 342 W



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER **A** St. Paul Fire & Marine

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COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

55c Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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					BODILY INJURY (Per accident) \$
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					EACH OCCURRENCE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE \$
					STATUTORY LIMITS
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	Bldg. & Cnts Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000
					\$100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GAETANA MARSHALL, UNMARRIED
LOC: 90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035230**CERTIFICATE HOLDER**

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000



OK

SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation III, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800

The BUYER(S): Gaetana Marshall of 265 Prospect Pl. Brooklyn NY 11238 Telephone: (718)-622-5603 Res. (212) 941-5105 ZIP 11238 Work

_____ of _____ Telephone: _____ Res. _____ Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.
 The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ

BLDG. NO.: 22
 THE PURCHASE PRICE: \$ 103,950
 Consisting of:
 BASE PRICE of _____
 and Premiums: _____

REFER
NEW TO CONTRACT

The PAYMENT TERMS: INITIAL DEPOSIT ON SIGNING _____ 1/12/93
 ADDITIONAL _____ 1/12/94
 and the BALANCE _____ CERTIFIED CHECK

TOTAL PAYMENT \$ 103,950.00
 MORTGAGE AMOUNT: \$ 105,200.00 MORTGAGE CONTINGENCY DATE 1-22 19 94
 ESTIMATED COMPLETION DATE 02-15 19 94
 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
 (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) DATE
[Signature] (BUYER) **KHOV035245** DATE
 SELLER [Signature] 12-13-93 (BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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4. CLOSING OF TITLE	1
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993.

Buyer: *Saetana Marshall*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Saetana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 12-15-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035249



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: TOLER
Lot: 22.02 Block: 406
Address: 88 Callahan Court
Newark, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$120,090.72

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Buyer: JOANNE L. TOLER

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035255



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: TOLER
Lot: 22.02 Block: 406
Address: 88 Callahan Court
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$120,090.72

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Buyer JOANNE L. TOLER

Buyer

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035256

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JOANNE L. TOLER, UNMARRIED

the GRANTEE

about to reside at 88 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$120,090.72
ONE HUNDRED TWENTY THOUSAND NINETY AND 72/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

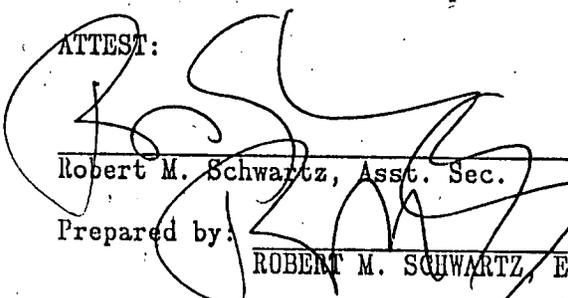
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.02, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

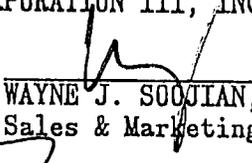

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

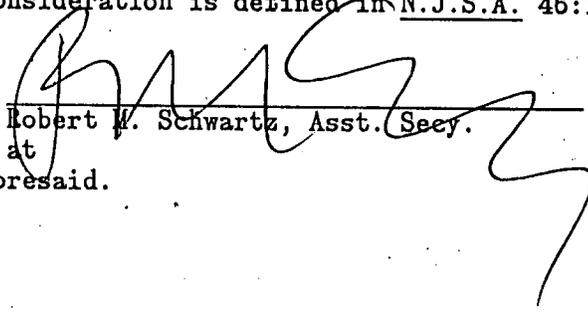
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV035272

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 120,090.72.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE JOANNE L. TOLER

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber JOANNE L. TOLER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to JOANNE L. TOLER

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING JR. BLVD.
NEWARK, NJ 07102

KHOV035273

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A-X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 50000 PRODUCTS-COMP/OP AGG. \$ 30000 PERSONAL & ADV. INJURY \$ 30000 EACH OCCURRENCE \$ 30000 FIRE DAMAGE (Any one fire) \$ 500 MED. EXPENSE (Any one person) \$ 500
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Contents				
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

Handwritten: 2/15/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JOANNE L. TOLER, UNMARRIED

LOC: 88 CALLAHAN COURT, NEWARK, NJ 07103 (22A2) LOT: 22.02 BLOCK: 406

KHOV035282

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO LIABILITY OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Handwritten Signature

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	<table border="1"> <tr><td>GENERAL AGGREGATE</td><td>\$ 5000000</td></tr> <tr><td>PRODUCTS-COMP/OP AGG.</td><td>\$ 3000000</td></tr> <tr><td>PERSONAL & ADV. INJURY</td><td>\$ 3000000</td></tr> <tr><td>EACH OCCURRENCE</td><td>\$ 3000000</td></tr> <tr><td>FIRE DAMAGE (Any one fire)</td><td>\$ 50000</td></tr> <tr><td>MED. EXPENSE (Any one person)</td><td>\$ 5000</td></tr> </table>	GENERAL AGGREGATE	\$ 5000000	PRODUCTS-COMP/OP AGG.	\$ 3000000	PERSONAL & ADV. INJURY	\$ 3000000	EACH OCCURRENCE	\$ 3000000	FIRE DAMAGE (Any one fire)	\$ 50000	MED. EXPENSE (Any one person)	\$ 5000
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	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				<table border="1"> <tr><td>STATUTORY LIMITS</td><td>\$</td></tr> <tr><td>EACH ACCIDENT</td><td>\$</td></tr> <tr><td>DISEASE-POLICY LIMIT</td><td>\$</td></tr> <tr><td>DISEASE-EACH EMPLOYEE</td><td>\$</td></tr> </table>	STATUTORY LIMITS	\$	EACH ACCIDENT	\$	DISEASE-POLICY LIMIT	\$	DISEASE-EACH EMPLOYEE	\$				
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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JOANNE L. TOLER, UNMARRIED
LOC: 88 CALLAHAN COURT, NEWARK, NJ 07103 (22A2) LOT: 22.02 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016

 908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
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INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
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 NJ 07701

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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JOANNE L. TOLER, UNMARRIED
 LOC: 88 CALLAHAN COURT, NEWARK, NJ 07103 (22A2) LOT: 22.02 BLOCK: 406

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K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A2

The Purchase Agreement between Jeanne J. Toler BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 10/31/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,250.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,637.52
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,613.20
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 115,188.18
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,090.92.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

10/5/93

BUYER

Jeanne J. Toler

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035304

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jeanne F. Toler

BUYER

UNIT A2, BUILDING 22, PURCHASE AGREEMENT DATE 10/31/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jeanne F. Toler 10/5/93
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: [Signature]
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV035305

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNANIAN ONEMARK-ORB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JOANNE L. TOLER (u) of 1691 EAST 174TH STREET/APT 8D
 Tel: Res: (718) 589-1796 BROWN
 Bus: (212) 460-3902 NY , 10472.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 405 , LOT NO: 22.02
 BLDG NO: 22 , UNIT NO: A2 , MODEL: STH1330-U UPPER

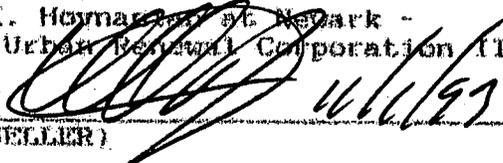
The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

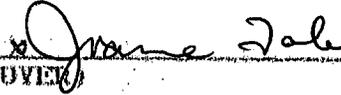
The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	31-OCT-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	31-OCT-1993
	ADDITIONAL DEPOSIT	\$	2,298.50	BY DATE	30-NOV-1993
	BALANCE at CLOSING	\$	106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$109,950.00		

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30-DEC-1993
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE

 10/31/93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarsana, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035315

TERMS AND CONDITIONS — PURCHASE AGREEMENT

TABLE OF CONTENTS

Paragraph # and Heading	Page
1. DEPOSITS	1
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 31st day of October, 1993.

Buyer: *James Zoles*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

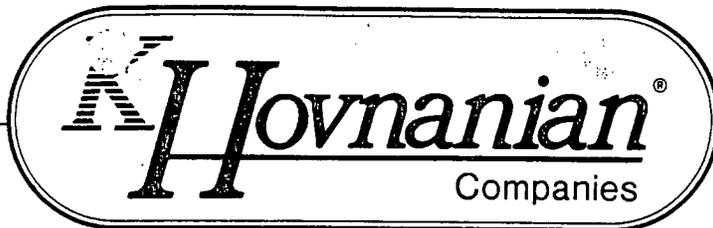
James Zoles 10/31/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

Wayne Soohan
BY WAYNE SOOHAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035319



MARCH 14, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MURPHY
Lot: 22.03 Block: 406
Address: 94 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: 3/11/94
Deed Amount: \$99,479.07

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Patricia Murphy
PATRICIA MURPHY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035328



MARCH 14, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MURPHY
Lot: 22.03 Block: 406
Address: 94 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
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Newark, NJ 07103

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The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Patricia Murphy
PATRICIA MURPHY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035329

THIS INDENTURE

(Site C and E)

Dated MARCH 11, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND PATRICIA MURPHY, UNMARRIED

the GRANTEE

about to reside at 94 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$99,479.07

NINETY NINE THOUSAND FOUR HUNDRED SEVENTY NINE AND .07/100 --Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.03, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

Robert M. Schwartz, Asst. Sec.

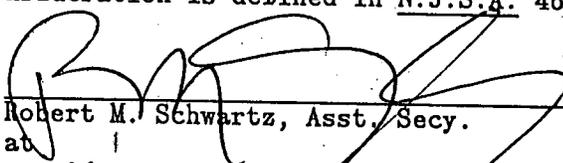
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

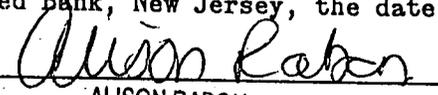
KHOV035354

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MARCH 11, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 99,479.07.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 11 day of MARCH, 1994

GRANTEE PATRICIA MURPHY GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 11 day of MARCH, 1994, before me, the subscriber PATRICIA MURPHY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
PATRICIA MURPHY

CHARGE, RECORD AND RETURN TO FAYTH A. RUFFIN, ESQUIRE
212 S. BURNET ST.
EAST ORANGE, N.J. 07018

KHOV035355

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER:

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: PATRICIA MURPHY, UNMARRIED
 LOC: 94 CALLAHAN COURT, NEWARK, NJ 07103 (22B1) LOT: 23.03 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
 AND/OR ITS ASSIGNS
 80 MAIN STREET
 WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-4177 THE MINES PRESS, INC. 342 W. 14th ST. NEW YORK, N.Y. 10014 1-800-447-6788

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5,000,000
					PRODUCTS-COMP/OP AGG. \$ 3,000,000
					PERSONAL & ADV. INJURY \$ 3,000,000
					EACH OCCURRENCE \$ 3,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building Contents Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
					BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: PATRICIA MURPHY, UNMARRIED
LOC: 94 CALLAHAN COURT, NEWARK, NJ 07103 (22B1) LOT: 23.03 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80-MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-412 THE MINE'S PRESS, INC. 342 W. 14th ST. NEW YORK, N.Y. 10014 1-800-441-6788

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: B1

The Purchase Agreement between Patricia Murphy BUYER(S)
BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,118.92
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 99,795.15
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-22-93
DATE

+ Patricia Murphy
BUYER
BUYER
BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV035376

DATE: 1/4/94

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
BUILDING: 22 UNIT: B1
PURCHASER: MURPHY

<u>ITEM</u>	<u>AMOUNT</u>
CONTRACT PURCHASE PRICE:	<u>96,950.00</u>
DECORATOR SELECTION #:	<u>3,964.07</u>
WORK AUTHORIZATION #:	_____
WORK AUTHORIZATION #:	_____
CREDIT WORK AUTHORIZATION #:	_____

(LESS) NON REALTY ITEMS:

<u>Refrigerator</u>	<u>620.00</u>
<u>Icemaker</u>	<u>—</u>
<u>Washer</u>	<u>470.00</u>
<u>Dryer</u>	<u>345.00</u>
TOTAL NON REALTY ITEMS:	<u>1,435.00</u>

CONTRACT + DECORATOR SELECTIONS: 100,914.07

LESS NON-REALTY ITEMS: 1,435.00

TOTAL DEED AMOUNT: 99,479.07

ZZZ

R. HUNNANTIAN BENCHMARK-URB RENEWAL CORP LLC

D.S.No : IW-22-01

PROJECT : IW - SOCIETY HILL @ UNIV. HILBERS ST ETC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STM150-G 2LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO.	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	6SD500	WHITE	WHITE	340.00
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18D4S	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00
ARS00	RANGE	STANDARD RANGE	JG6C156E	WHITE	WHITE	0.00
AWX01	WASHER	WASHER LARGE CAPACIT	WMA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4628-8	SAND NEBULA		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRYX		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XES01	FLOORING PACKAGES	STD. LAYOUT				1514.07
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	SIDBIFOLD	3'0"		0.00
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	SIDBIFOLD	3'0"		0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Patricia Murphy*
 PURCHASER: _____
 DATE: *12-22-93*
 SALES REP: *J. Stanley*
 SALES MGR: *William S. ... 12-22-93*
 CONST. MGR: *1-3-94*

RECEIVED
 DEC 23 1993

GRAND TOTAL \$ 3954.07
 Incl. Mortg. Sel \$ 2529.07
 AMOUNT DUE NOW \$ 118.92
 AMOUNT PAID NOW \$ 118.92 "CR"
 AMOUNT DUE AT CLDS \$ 3845.15

KHOV035378

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): PATRICIA MURPHY (u) of 541 DECAUR ST. BROOKLYN NY 11233. Tel: Res: (718) 452-4732 Bus: (212) 808-7539

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 22.03 BLK NO: 22 UNIT NO: B1 MODEL: STH150-G >LOWER

The PURCHASE PRICE: \$ 96,950.00 Consisting of: BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 03-JAN-1994 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT: \$ 93,600.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994 Estimated COMPLETION DATE: 15-FEB-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

(SELLER)

DATE

12.10.93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Patricia Murphy 12/4/93

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

KHOV035379



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled; terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4 day of Dec, 1993.

Buyer: Patricia Murphy 12/4/93

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patricia Murphy 12-4-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12.10.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035383

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

05/27/94

PRODUCER

Meeker Sharkey & MacLean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
 CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
 DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
 POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
 INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
 CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
 EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	002900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 1,000,000
					PRODUCTS-COMP/OP AGG. \$ 500,000
					PERSONAL & ADV. INJURY \$ 500,000
					EACH OCCURRENCE \$ 500,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER 1. Int. Bldg. & Conts. 002900238 2. Fidelity 002900238		1/01/94	1/01/95	\$11,475,000 ALL RISK
					\$100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED

LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORP.,
 AND/OR ITS ASSIGNS
 80 MAIN STREET
 WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
 EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
 MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
 LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
 LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010035000

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ANGELA ONAFOWORA, UNMARRIED

the GRANTEE

about to reside at 92 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$106,669.60 ONE HUNDRED SIX THOUSAND SIX HUNDRED SIXTY NINE AND 60/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

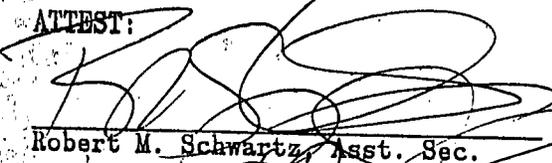
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

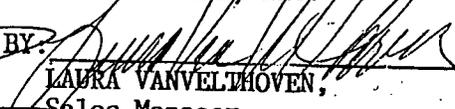
Being also known as Lot No. 22.04, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV035421

OK

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

_____, Buyer.

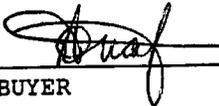
UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

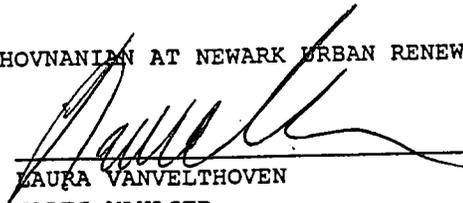
(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.


BUYER
4/9/94
DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035435

OK

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33 UNIT: 82

The Purchase Agreement Between Angela Onagwora, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,284.60
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
SELLER

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

SUMMARY OF BASIC PROVISIONS

OR IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (u) of 31 VOSE AVENUE/APT 118
 Tel: Res: (201) 242-8199 SOUTH ORANGE
 Bus: (201) 399-6805 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.04
 BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
 Consisting of:
 BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	09-APR-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	09-APR-1994
	ADDITIONAL DEPOSIT	\$ 2,058.50	BY DATE	09-MAY-1994
	BALANCE at CLOSING	\$ 98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 08-JUN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.
[Signature] 4/14/94
 (SELLER) DATE

<i>[Signature]</i>	4/9/94
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035437

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

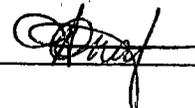
B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 19, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 9th day of April, 1994.

Buyer: 

Lisa M. Weems

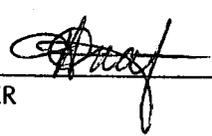
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

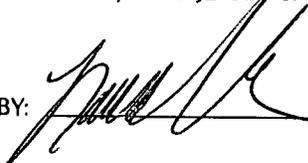
NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 4/9/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY:  4/14/94
DATE

KHOV035441

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN ONEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (A) of 31 VOSE AVENUE/APT 118
 Tel: Res: (201) 743-4966 SOUTH ORANGE
 Bus: (908) 753-3545 NJ , 07079.

LAURA L ONAFOWORA (A) of 409 MEADOWVIEW DRIVE
 Tel: Res: (704) 866-4072 GASTONIA
 Bus: (704) 922-6243 NC , 28053.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.04
 BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
 Consisting of:
 BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	11-JUL-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	11-JUL-1993
	ADDITIONAL DEPOSIT	\$ 2,058.50	BY DATE	22-AUG-1993
	BALANCE at CLOSING	\$ 98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 09-SEP-1993
 Estimated COMPLETION DATE: 15-DEC-1993
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

<i>[Signature]</i>	11/6/93	DATE
(BUYER)		
<i>[Signature]</i>	11/9/93	DATE
(BUYER)		
_____	_____	DATE
(BUYER)		
_____	_____	DATE
(BUYER)		

[Signature] 11.19.93
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

CAT

KHOV035442



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

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20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: *[Signature]*

Lisa M. Weems

Buyer: *Jama J. Osofowora*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 11/6/93
BUYER DATE

Jama J. Osofowora 11/9/93
BUYER DATE

BY: *[Signature]* 11.19.93
WAYNE SOUJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV035446

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: B2

The Purchase Agreement between Angela Onofowora BUYER(S)

Fans F. Onofowora BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11/6/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,284.60
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/6/93
DATE

x [Signature]
BUYER

x [Signature]
BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035447

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 52

Unit No.: B2

The Purchase Agreement between Angela Onajewara BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/19/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,584.60
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06 (see)
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,850.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,669.60.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9/19/93
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035451

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (U) of 31 VOSE AVENUE/APT 118
 Tel: Res: (201) 743-4966 SOUTH ORANGE
 Bus: (908) 753-3545 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.04
 BLDG NO: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
 Consisting of:
 BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	11-JUL-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	11-JUL-1993
	ADDITIONAL DEPOSIT	\$ 2,058.50	BY DATE	10-AUG-1993
	BALANCE at CLOSING	\$ 98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 09-SEP-1993
 Estimated COMPLETION DATE: 15-DEC-1993
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(SELLER)

DATE

7.15.93

(BUYER)

DATE

7/11/93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KH0V035452

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

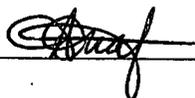
B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 11th day of July, 1993.

Buyer: 

Lisa M. Weems

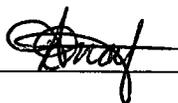
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 7/11/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY:  7.15.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035456

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 500,000
					PRODUCTS-COMP/OP AGG. \$ 300,000
					PERSONAL & ADV. INJURY \$ 300,000
					EACH OCCURRENCE \$ 300,000
					FIRE DAMAGE (Any one fire) \$ 5,000
					MED. EXPENSE (Any one person) \$ 500
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE \$
					STATUTORY LIMITS
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
					Fidelity

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED AND LAURA L. ONAFOWORA, UNMARRIED
LOC: 92 CALLAHAN COURT, NEWARK, NJ. 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

COUNTY MORTGAGE COMPANY, INC.,
ITS SUCCESSORS AND/OR ASSIGNS
33 CLINTON ROAD
WEST CALDWELL, NJ. 07006

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OF LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

01003600

REORDER ITEM NUMBER 492-414 THE MINES PRESS, INC. 342 W. 14TH ST. NEW YORK, NY 10013 1-800-447-6788



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o: Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 5,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	PRODUCTS-COMP/OP AGG. \$ 3,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3,000,000
					FIRE DAMAGE (Any one fire) \$ 5,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$ -
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$ -
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$ -
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$ -
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$ -
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$ -
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS \$ -
					EACH ACCIDENT \$ -
					DISEASE-POLICY LIMIT \$ -
					DISEASE-EACH EMPLOYEE \$ -
	OTHER				
	<input checked="" type="checkbox"/> Blanket Building	BC02900238	1/01/94	1/01/95	\$11,475,000.
	<input checked="" type="checkbox"/> Contents				
	<input checked="" type="checkbox"/> Fidelity	BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED AND LAURA L. ONAFOWORA, UNMARRIED
LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

COUNTY MORTGAGE COMPANY, INC.,
ITS SUCCESSORS AND/OR ASSIGNS
33 CLINTON ROAD
WEST CALDWELL, NJ 07006

CANCELLATION

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AUTHORIZED REPRESENTATIVE

01003600

REORDER ITEM NUMBER 492-0114 THE MINES PRESS, INC. 342 W. 14th ST. NEW YORK, N.Y. 10014 1-800-447-6788



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

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 POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 500000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	PRODUCTS-COMP/OP AGG. \$ 300000
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 300000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 300000
					FIRE DAMAGE (Any one fire) \$ 5000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
	OTHER				
	A Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
	A Fidelity	BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED AND LAURA L. ONAFOWORA, UNMARRIED
 LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

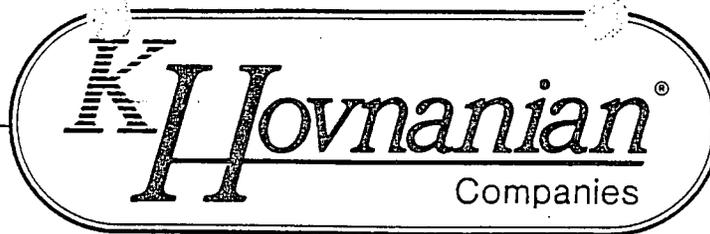
COUNTY MORTGAGE COMPANY, INC.,
 ITS SUCCESSORS AND/OR ASSIGNS
 33 CLINTON ROAD
 WEST CALDWELL, NJ 07006

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WHITNEY
Lot: 22.05 Block: 406
Address: 98 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$87,795.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

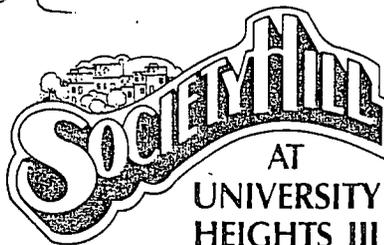
Please change your account records immediately to reflect the above.

Very truly yours,

ALVIN D. WHITNEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035486



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WHITNEY
Lot: 22.05 Block: 406
Address: 98 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$87,795.00

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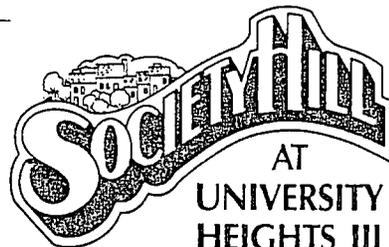
Please change your account records immediately to reflect the above.

Very truly yours,

ALVIN D. WHITNEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035487

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALVIN D. WHITNEY, MARRIED

the GRANTEE

about to reside at 98 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$87,795.00
EIGHTY SEVEN THOUSAND SEVEN HUNDRED NINETY FIVE AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth here to and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

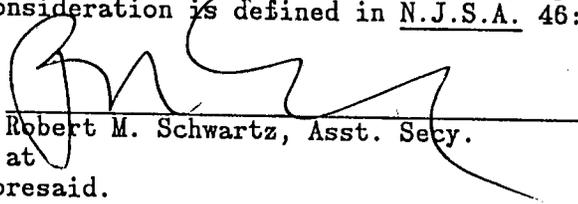
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

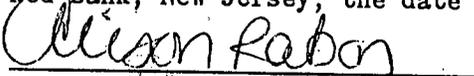
KHOV035504

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 87,795.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

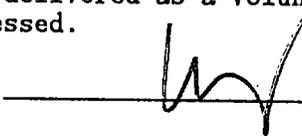
I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE ALVIN D. WHITNEY GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber ALVIN D. WHITNEY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.


NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ALVIN D. WHITNEY

CHARGE, RECORD AND RETURN TO TERRENCE HULL, ESQUIRE
853 KEARNY AVENUE
KEARNY, NJ 07032

KHOV035505

AFFIDAVIT

STATE OF NEW JERSEY:

ss.

COUNTY OF MONMOUTH :

WAYNE J. SOOJIAN and ROBERT M. SCHWARTZ say under oath:

That, to the best of his knowledge and belief the statements in this Affidavit are true; that they are of full age, citizens of the United States and reside Holmdel, New Jersey and North Caldwell, New Jersey; they are Sales & Marketing Director and Assistant Secretary of K. Hovnanian at Newark Urban Renewal Corporation III, Inc. a corporation of the State of New Jersey, which is now in possession and the owner of property located in the City of Newark, Essex County, New Jersey, known as Unit No. C1, in Building No. 22, Parking Space No. 22C1, in Society Hill at University Heights III, a Condominium and its related and appurtenant undivided percentage of Common Elements ("Property"). This unit is being sold to ("Buyer").

The Property upon which said unit is located has been owned by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. since on or before November 20, 1990; no one has questioned the ownership or possession of the Property nor are we aware of anything that would affect our ownership or possession; the corporation has not contracted with anyone else for the sale or possession of the above referenced condominium unit which contract has not been voided and is of no further force and legal effect.

We and any other officers who have executed any and all documents related to the closing on the above transaction have been authorized by the Board of Directors of K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to sign this Affidavit and we and other officers of the corporation are authorized to sign any other documents needed to sell the Property. The Corporation is a New Jersey Corporation which has paid any and all income or franchise taxes which may be a lien on the Property.

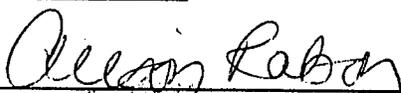
All appropriate permits for construction on the Property have been obtained and paid for by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. There are no mechanics liens filed, or about to be filed, against the Property and if there are any liens against the Property as a result of the corporation's ownership or improvement of the Property, those liens will be satisfied from the money paid by Buyer. There are no pending lawsuits against the Corporation which could result in a lien against the Property. The Corporation is not involved in bankruptcy or insolvency proceedings and all corporate franchise, social security, unemployment and disability taxes and any other liabilities which could become liens on the Property have been paid.

The Property and this affidavit are subject to zoning ordinances, restrictions and easements of record, conditions shown on an accurate survey, buildings set back lines, Society Hill at University Heights III, a Condominium Master Deed and any amendments, and possible additional real estate taxes for the current year. K. Hovnanian at Newark Urban Renewal Corporation III, Inc., will be responsible for its pro rata share of any real estate taxes due and payable for any period of time prior to the date of closing of title.

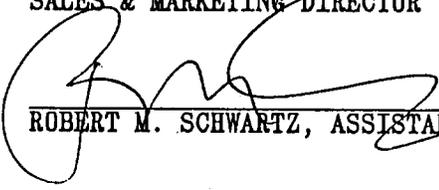
The Affidavit is made to induce the Buyer to accept the Deed from the Corporation. The Corporation recognizes that the Buyer is relying on the truthfulness of the Affidavit.

Sworn and Subscribed to
before me this 28TH day
of FEBRUARY, 1994.

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996


WAYNE J. SOOJIAN
SALES & MARKETING DIRECTOR
ROBERT M. SCHWARTZ, ASSISTANT SECRETARY

KHOV035507

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 3,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 3,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER				
	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALVIN D. WHITNEY, MARRIED
LOC: 98 CALLAHAN COURT, NEWARK, NJ 07103 (22C1) LOT: 22.05 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-314 THE MINES PRESS, INC. 392 W. 14th ST. NEW YORK, N.Y. 10014 800-421-7878

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	Bldg. & Cnts Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
					\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: ALVIN D. WHITNEY, MARRIED
LDC: 98 CALLAHAN COURT, NEWARK, NJ 07103 (22C1) LOT: 22.05 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

car

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 14-dec-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,708.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,661.26
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 86,047.45
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,958.72.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-20-94
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035533

ak

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Alvin D. Whitney

_____, Buyer.

UNIT: C1

BLDG. 22

PURCHASE AGREEMENT DATED: 14-dec-1993

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$ 163.72

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 1-27-94

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 1-20-94

"BUYER"
X Alvin D. Whitney

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-14-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,545.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 87,545.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,795.00

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-23-95
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035535

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ALVIN D WHITNEY (M) of 110 POST AVE.
 Tel: Res: (212) 567-8551 NEW YORK
 Bus: (201) 974-6470 NY ,10034..

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.05
 BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 86,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
 ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
 BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK

 Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

[Signature]

 (SELLER) 12-20-93 DATE

X *[Signature]* 12-14-93

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035540



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion; provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, if Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14 day of Dec, 1993.

Buyer: *Abner D. Whitney*

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

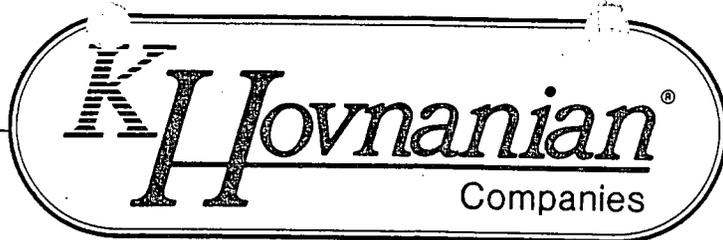
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Abner D. Whitney 12-14-93
BUYER DATE

BUYER DATE

BY: *Wayne* 12-20-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035544



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BECKLES/FULLER
Lot: 22.07 Block: 406
Address: 102 Callahan Court
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$61,200.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

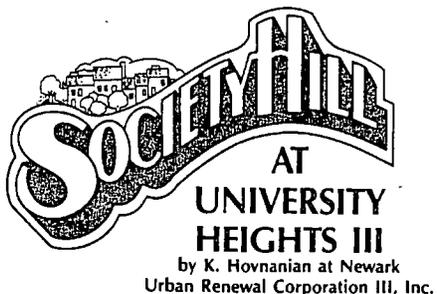
Very truly yours,

Harold E. Beckles
Buyer HAROLD E. BECKLES

Bernice A. Fuller
Buyer BERNICE A. FULLER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035551



MARCH 1, 1994

X Office of Tax Abatement and Special Taxes 920 Broad Street Room B-26 Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. To: BECKLES/FULLER Lot: 22.07 Block: 406 Address: 102 Callahan Court Newark, NJ 07103

Tax Collector Utility of Newark 970 Broad Street Newark, NJ 07103

Closing date: FEBRUARY 28, 1994 Deed Amount: \$61,200.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Harold E. Beckles Buyer HAROLD E. BECKLES

Bernice A. Fuller Buyer BERNICE A. FULLER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner Closing Assistant



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV035552

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
the GRANTEE

about to reside at 102 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$61,200.00
SIXTY ONE THOUSAND TWO HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

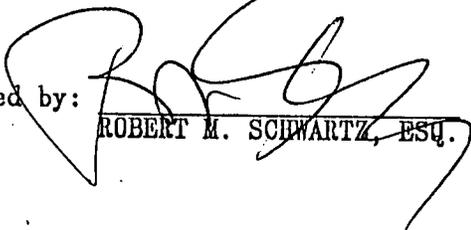
Unit No. D1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 18, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV035578

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN MENTIONED RESTRICTION AND ANY SALE AND VIOLATION BE VOID AND CAUSE A REVERSION OF TITLE TO K. RENEWAL CORPORATION III, INC., WHO, DURING THE PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER PURCHASER. This restriction shall be a covenant

DATE OF CO

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JAN
EAR
JME

The Grantee promises, covenants and agrees that any person claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

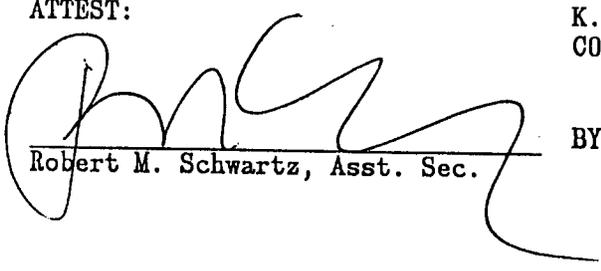
Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

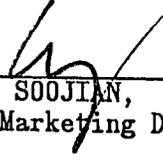
Being also known as Lot No. 22.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

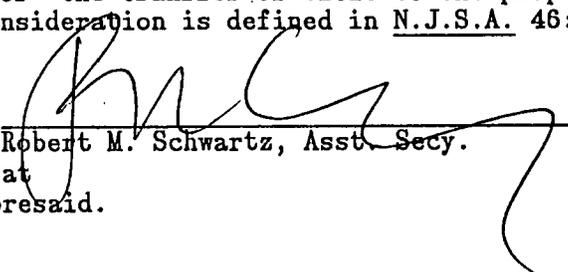

Robert M. Schwartz, Asst. Sec.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

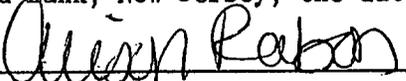
KHOV035579

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 61,200.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE HAROLD E. BECKLES

GRANTEE BERNICE A. FULLER

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber HAROLD E. BECKLES & BERNICE A. FULLER personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
HAROLD E. BECKLES AND BERNICE A. FULLER

CHARGE, RECORD AND RETURN TO CAROLYN RYAN REED, ESQUIRE
269 ROBERTS ROAD
ORANGE, NJ 07050

KHOV035580

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between HAROLD E. BECKLES, UNMARRIED & BERNICE A. FULLER, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994 The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 102 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.07

Also more particularly described as:

Together with:

- All buildings and other improvement that now are or will be located on the Property.
- All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
- All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

- The Borrower acknowledges and understands that:
 - Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
- The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

- The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035584



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 3000000
	CLAIMS MADE OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 5000
					MED. EXPENSE (Any one person) \$ 500
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building	BC02900238	1/01/94	1/01/95	\$11,475,000.
	Contents				
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

Handwritten: 1/20/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406

CERTIFICATE HOLDER

MIDLANTIC NATIONAL BANK,
ITS SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
710 TURNPIKE ROAD
EAST BRUNSWICK, NJ 08816

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010038000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER
 Meeker Sharkey & MacBearn
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED
 Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
 LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406

CERTIFICATE HOLDER

MIDLANTIC NATIONAL BANK,
 ITS SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 710 TURNPIKE ROAD
 EAST BRUNSWICK, NJ 08816

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE 010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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	GENERAL LIABILITY				GENERAL AGGREGATE \$ 5000000
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	PRODUCTS-COMP/OP AGG. \$ 3000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				EACH OCCURRENCE \$
	<input type="checkbox"/> GARAGE LIABILITY				AGGREGATE \$
	EXCESS LIABILITY				STATUTORY LIMITS
	<input type="checkbox"/> UMBRELLA FORM				EACH ACCIDENT \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				DISEASE-POLICY LIMIT \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

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OWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406

CERTIFICATE HOLDER

MIDLANTIC NATIONAL BANK,
ITS SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
710 TURNPIKE ROAD
EAST BRUNSWICK, NJ 08816

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AUTHORIZED REPRESENTATIVE

010036000

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNANIAN URBAN-RENEWAL CORP (Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): HAROLD E. BECKLES (u) of 10 NORTH HAWTHORNE LANE
 Tel: Res: (201) 484-8645 NEWARK
 Bus: () NJ , 07107.

BERNICE A. FULLER (u) of 214 WEST MARKET STREET/APT 1
 Tel: Res: (201) 624-0463 NEWARK
 Bus: () NJ , 07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.07
 BLDG NO.: 22 , UNIT NO: D1 , MODEL: STH1050-GM XLOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
 Consisting of:
 BASE PRICE of MODEL \$ 61,200.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-OCT-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-OCT-1993
	ADDITIONAL DEPOSIT	\$ 836.00	BY DATE	29-NOV-1993
	BALANCE at CLOSING	\$ 59,364.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 61,200.00		

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29-DEC-1993
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark
 Urban Renewal Corporation III, Inc.

Harold E. Beckles 10-30-93
 (BUYER), DATE
Bernice A. Fuller 10-30-93
 (BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV035613



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of October, 1993.

Buyer: Harold E. Beckles

Lisa M. Weems

Buyer: Bonnie A. Gullu

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Harold E. Beckles 10-30-93
BUYER DATE

Bonnie A. Gullu 10-30-93
BUYER DATE

[Signature]
WAYNE SOOHAN,
DIRECTOR OF MARKETING AND SALES DATE

KHOV035617

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JACQUELINE E. BARLOW, UNMARRIED

the GRANTEE

about to reside at 96 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$97,996.30
NINETY SEVEN THOUSAND NINE HUNDRED NINETY SIX AND 30/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

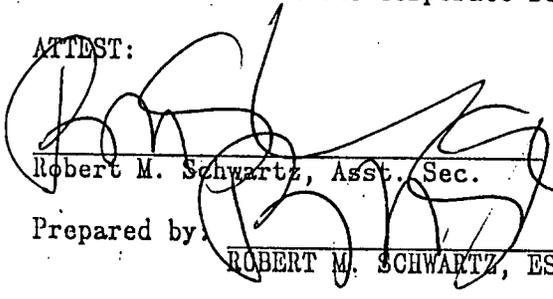
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.06, in Block No. 406, on the tax map of the City of Newark.

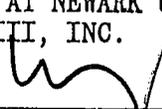
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

BY:

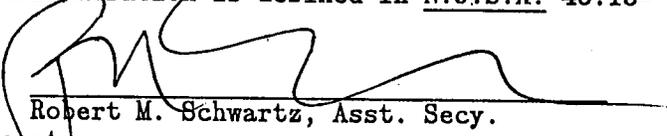

WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by ROBERT M. SCHWARTZ, ESQ.

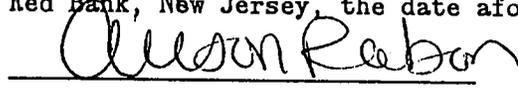
KHOV035646

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 97,996.30.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996
SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25TH day of FEBRUARY, 1994.

GRANTEE JACQUELINE E. BARLOW GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 25TH day of FEBRUARY, 1994, before me, the subscriber JACQUELINE E. BARLOW, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to JACQUELINE E. BARLOW

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV035647

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

July 21/1994
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
 OWNER: JACQUELINE E. BARLOW, UNMARRIED
 LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406

CERTIFICATE HOLDER
 K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL ___ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 010036000
 ACORD CORPORATION 1990

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	<table border="1"> <tr><td>GENERAL AGGREGATE</td><td>\$ 500,000.00</td></tr> <tr><td>PRODUCTS-COMP/OP AGG.</td><td>\$ 300,000.00</td></tr> <tr><td>PERSONAL & ADV. INJURY</td><td>\$ 300,000.00</td></tr> <tr><td>EACH OCCURRENCE</td><td>\$ 300,000.00</td></tr> <tr><td>FIRE DAMAGE (Any one fire)</td><td>\$ 50,000.00</td></tr> <tr><td>MED. EXPENSE (Any one person)</td><td>\$ 5,000.00</td></tr> </table>	GENERAL AGGREGATE	\$ 500,000.00	PRODUCTS-COMP/OP AGG.	\$ 300,000.00	PERSONAL & ADV. INJURY	\$ 300,000.00	EACH OCCURRENCE	\$ 300,000.00	FIRE DAMAGE (Any one fire)	\$ 50,000.00	MED. EXPENSE (Any one person)	\$ 5,000.00
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COMBINED SINGLE LIMIT	\$																
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	<input type="checkbox"/> EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				<table border="1"> <tr><td>EACH OCCURRENCE</td><td>\$</td></tr> <tr><td>AGGREGATE</td><td>\$</td></tr> </table>	EACH OCCURRENCE	\$	AGGREGATE	\$								
EACH OCCURRENCE	\$																
AGGREGATE	\$																
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				<table border="1"> <tr><td>STATUTORY LIMITS</td><td></td></tr> <tr><td>EACH ACCIDENT</td><td>\$</td></tr> <tr><td>DISEASE-POLICY LIMIT</td><td>\$</td></tr> <tr><td>DISEASE-EACH EMPLOYEE</td><td>\$</td></tr> </table>	STATUTORY LIMITS		EACH ACCIDENT	\$	DISEASE-POLICY LIMIT	\$	DISEASE-EACH EMPLOYEE	\$				
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	<input type="checkbox"/> OTHER Blanket Building Contents Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. 100,000												

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE E. BARLOW, UNMARRIED
LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 15 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REPRODUCED FROM THE ORIGINAL POLICY. THE MINUTES PRESS, INC. 337 W. FAIR ST. NEW YORK, N.Y. 10014. TEL: 212-691-1000. FAX: 212-691-1001.

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 5000000
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	PRODUCTS-COMP/OP AGG. \$ 3000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE E. BARLOW, UNMARRIED

LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-419 FILE NUMBER PRESS, INC., JAZZ W. 1410 ST., NEW YORK, N.Y. 10014

ak

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 33

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/3/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,980.99
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,385.31
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,350.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-3-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035685

AK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C4

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK ILL, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,222.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,143.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,385.31
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOCCIAN
NJ NORTH DIRECTOR OF SALES & MARKETING

KHOV035686

KHOV035686:01

91,950.00 +

7,416.30 +

002

99,366.30 +

620.00 -

750.00 -

003

97,996.30 *

...

DATE: 10/1/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: C2

PURCHASER: BARLOW

<u>ITEM</u>	<u>AMOUNT</u>
CONTRACT PURCHASE PRICE:	<u>\$91,950.00</u>
DECORATOR SELECTION #:	<u>\$7,416.30</u>
WORK AUTHORIZATION #:	<u> </u>
WORK AUTHORIZATION #:	<u> </u>
CREDIT WORK AUTHORIZATION #:	<u> </u>

(LESS) NON REALTY ITEMS:

<u>Refrigerator</u>	<u>\$620.00</u>
<u>Icemaker</u>	<u>N/A</u>
<u>Washer</u>	<u>N/A</u>
<u>Dryer</u>	<u>\$750.00</u>

TOTAL NON REALTY ITEMS: \$1,370.00

TOTAL DEED AMOUNT: \$ 97,996.30

KHOV035687

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORE) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY , 07701.

The BUYER(S): JACQUELINE E BARLOW (U) of 17 STECHER STREET NEWARK NJ ,07112. Tel: Res: (201) 926-6488 Bus: () -

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 , LOT NO: 22.06 BLDG NO.: 22 , UNIT NO: C2 , MODEL: STH1050-U >UPPER

The PURCHASE PRICE : \$ 91,950.00 Consisting of: BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-SEP-1993 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-SEP-1993 ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 03-OCT-1993 BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993 Estimated COMPLETION DATE: 15-DEC-1993 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc. (SELLER) Wandy 5.9.93 DATE

Jacqueline Barlow 9-3-93 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV035689

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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7. BUYER'S REPRESENTATION	2
8. CHANGES IN PLANS	2
9. FIRE AND OTHER CASUALTY	2
10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.	2
11. LICENSE	2
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13. SELLER'S INABILITY TO DELIVER DEED	2
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15. ASSIGNMENT	2
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17. DECORATOR SELECTIONS	2
18. WARRANTIES	2
19. ENTIRE AGREEMENT REPRESENTATIONS	2
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21. PREOCCUPANCY INSPECTION	3
22. CHANGES IN PRICE	3
23. MORTGAGE CONTINGENCY	3
24. INSULATION	4
25. AFFORDABLE UNITS	4
26. OWNER/INVESTOR REPRESENTATION	4
27. ATTORNEY REVIEW	4

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings; driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of August ~~September~~, 1993.

Buyer: *Jacqueline Barbo*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Jacqueline Barbo 9-3-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 33, P.O. BOX 500
RED BANK, NEW JERSEY 07011 (908) 747-7800

BUYER DATE

BY: *Wayne* 9-5-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035693



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CATWELL
Lot: 22.08 Block: 406
Address: 100 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jessica P. Catwell
JESSICA P. CATWELL

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035699



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CATWELL
Lot: 22.08 Block: 406
Address: 100 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

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took place on the above date.

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Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

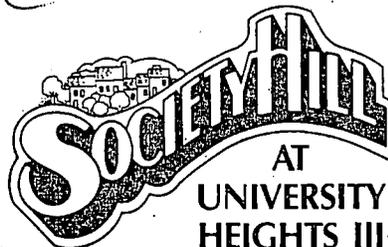
Please change your account records immediately to reflect the above.

Very truly yours,

Jessica P. Catwell
JESSICA P. CATWELL

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035700

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07015

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

500 Hill @ University Hts. III
c/o Eastern Community Home
325 Highway 35
Red Bank
NJ 07701

- COMPANY LETTER A
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER D
- COMPANY LETTER E

St. Paul Fire & Marine

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	5000000 GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 5000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

1/22/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

JESSICA P. CATWELL, UNMARRIED
100 CALLAHAN COURT, NEWARK, NJ 07103 (22D2) LOT: 22.08 BLOCK: 406

CERTIFICATE HOLDER

K¹ HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature] 010078000

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JESSICA P. CATWELL, UNMARRIED the GRANTEE

about to reside at 100 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

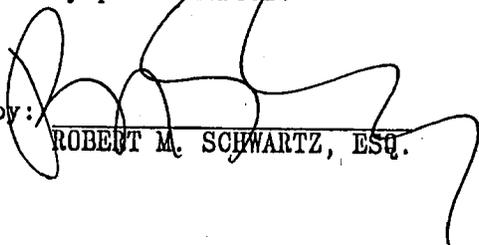
The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV035736

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is 2-24-94.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE ABOVE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION OF THIS RESTRICTION SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., WHO, DURING THE REMAINDER OF THE TEN YEAR PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER LOW OR MODERATE INCOME PURCHASER. This restriction shall be a covenant that runs with the land.

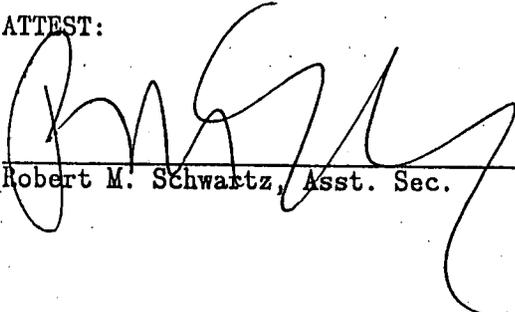
The Grantee promises, covenants and agrees with Grantor that anyone claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.08, in Block No. 406, on the tax map of the City of Newark.

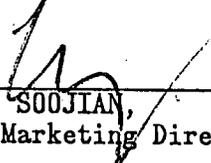
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV035737

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner

LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994, 1994 between JESSICA P. CATWELL, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 100 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.08

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035739

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000
					A Fidelity

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JESSICA P. CATWELL, UNMARRIED
LDC: 100 CALLAHAN COURT, NEWARK, NJ 07103 (22D2) LOT: 22.08 BLOCK: 406

CERTIFICATE HOLDER

I. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 15 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
OTHER	<input checked="" type="checkbox"/> Bldg. & Cnts <input checked="" type="checkbox"/> Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
					BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JESSICA P. CATWELL, UNMARRIED
LOC: 100 CALLAHAN COURT, NEWARK, NJ 07103 (22D2) LOT: 22.08 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (W) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY ,11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO.: 406 , LOT NO: 22.08
BLDG NO.: 22 , UNIT NO: D2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16 MAR 1994
Estimated COMPLETION DATE: 06 APR 1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
(SELLER) DATE 23-94

Jessica P. Catwell 2/5/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035755



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: x Jessica P. Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Jessica P. Catwell 2/5/94
BUYER DATE

BUYER DATE

BY: [Signature] 2.8.94
DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

KHOV035759

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (W) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY , 11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.04
BLDG NO.: 23 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 15-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-JAN-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-FEB-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16-MAR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

Handwritten signature: Switch to 2202

KHOV035761



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 15th day of January, 1994.

Buyer: o Jessica Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

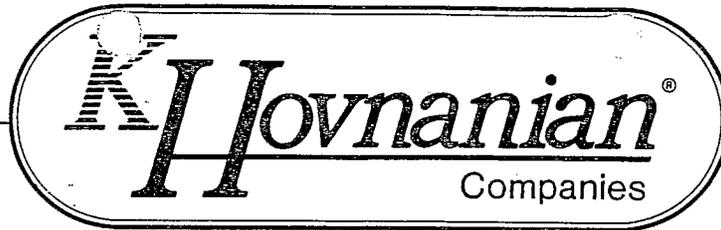
YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

o Jessica Catwell 1/15/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 1-17-94
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: REED
Lot: 22.09 Block: 406
Address: 106 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Bertha Reed

BERTHA REED

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035774



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
To: REED
Lot: 22.09 Block: 406
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Very truly yours,

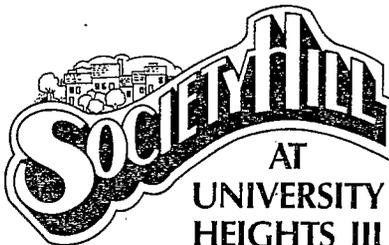
Bertha Reed

BERTHA REED

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035775

T H I S I N D E N T U R E
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND BERTHA REED, UNMARRIED

the GRANTEE

about to reside at 106 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

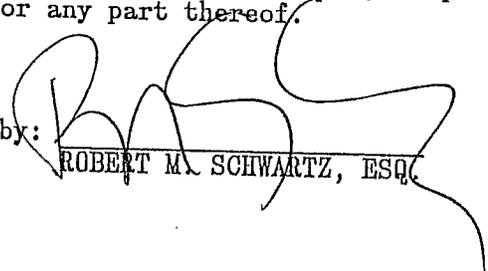
The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV035797

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN MENTIONED RESTRICTION AND ANY SALE AND VIOLATION BE VOID AND CAUSE A REVERSION OF TITLE TO K. RENEWAL CORPORATION III, INC., WHO, DURING THE PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER PURCHASER. This restriction shall be a covenant

DATE OF CO

JVE
LL
JAN
EAR
JME

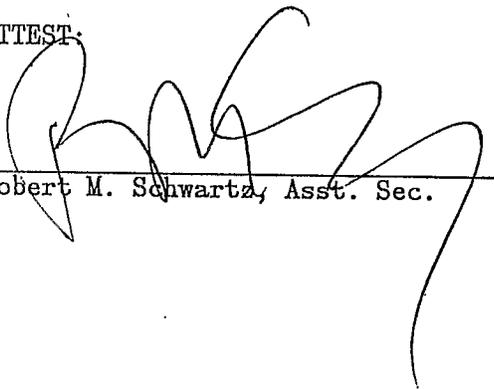
The Grantee promises, covenants and agrees _____ one claiming title from, through or under the Grantor _____ the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

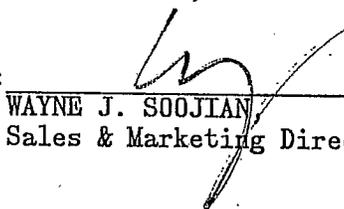
ATTEST:



Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

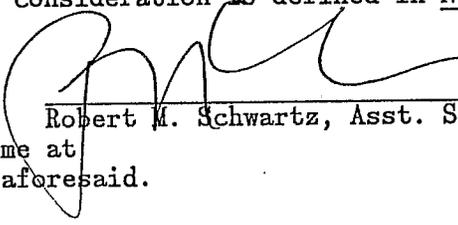
BY:



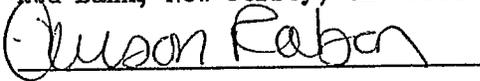
WAYNE J. SOOJIAN
Sales & Marketing Director

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE BERTHA REED

GRANTEE

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber BERTHA REED, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
BERTHA REED

CHARGE, RECORD AND RETURN TO

PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV035799

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between BERTHA REED, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 106 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.09

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

- b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035803

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A-X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER Blanket Building Contents Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. 100,000

Handwritten: 1/15/94
**CEITIFIED COPY
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **BERTHA REED, UNMARRIED**

LOC: 106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406

KHOV035807

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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	GENERAL LIABILITY				GENERAL AGGREGATE \$ 5000000
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	PRODUCTS-COMP/OP AGG. \$ 3000000
	CLAIMS MADE OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
<input checked="" type="checkbox"/>	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000
<input checked="" type="checkbox"/>	Fidelity	BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **BERTHA REED, UNMARRIED**
LOC: **106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406**

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
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ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-417 THE MILES PRESS, INC. 342 W. 140 ST. NEW YORK, N.Y. 10019

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				<table border="1"> <tr><td>COMBINED SINGLE LIMIT</td><td>\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr> <tr><td>PROPERTY DAMAGE</td><td>\$</td></tr> </table>	COMBINED SINGLE LIMIT	\$	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE	\$				
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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **BERTHA REED, UNMARRIED**
LOC: **106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406**

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): BERENA REED (u) of 101 DAYTON TERRACE/APT 3A
 Tel: Res: (201) 242-7384 NEWARK
 Bus: (201) 379-9203 NJ , 07114.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.09
 BLDG NO: 22 , UNIT NO: E1 , MODEL: STH1050-GL >LOWER H.L. L

The PURCHASE PRICE : \$ 33,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-NOV-1993
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20-NOV-1993
 ADDITIONAL DEPOSIT \$ 11.00 BY DATE 20-DEC-1993
 BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
 Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DV-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Bertha Reed 11/20/93
 (BUYER) DATE

(BUYER) DATE

[Signature] 11.22.93
 (SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035833

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 13, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 20th day of November, 1993

Buyer: Bertha Reed

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Bertha Reed 11/20/93
BUYER DATE

BUYER DATE

BY: Wayne Soojian 11.22.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035837



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SYKES
Lot: 22.10 Block: 406
Address: 104 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: *February 28, 1994*
Deed Amount: \$38,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Evelyn A Sykes
EVELYN A. SYKES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035843



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SYKES
Lot: 22.10 Block: 406
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The bank who holds our mortgage is:

Our Mortgage Account No.:

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send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Evelyn A Sykes
EVELYN A SYKES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035844

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EVELYN A. SYKES, UNMARRIED

the GRANTEE

about to reside at 104 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$38,700.00
THIRTY EIGHT THOUSAND SEVEN HUNDRED AND .00/100----- Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

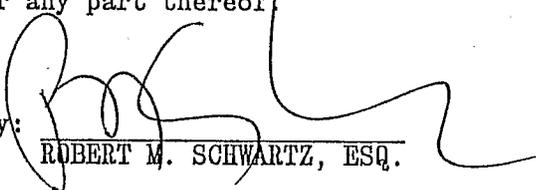
Unit No. E2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV035866

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION THEREOF
BE VOID AND CAUSE A REVERSION OF TITLE TO KENNETH R. HOVNIAN
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER
PURCHASER. This restriction shall be a covenant

DATE OF CO

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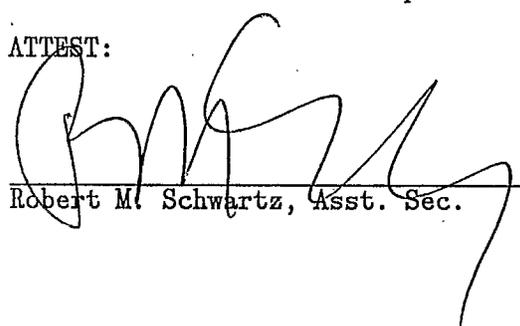
The Grantee promises, covenants and agrees to hold the property one claiming title from, through or under the Grantor in accordance with the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.10, in Block No. 406, on the tax map of the City of Newark.

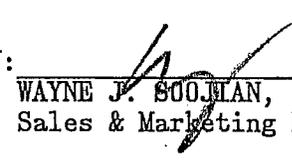
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

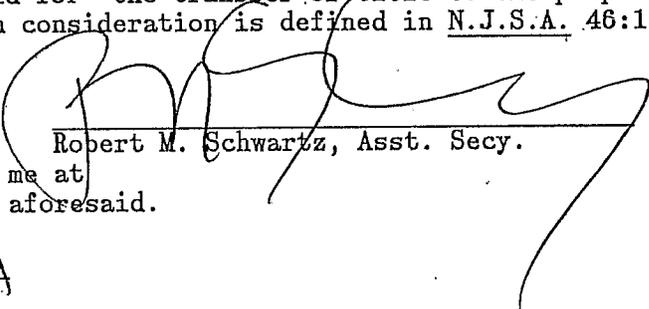
BY:


WAYNE J. SOGLIAN,
Sales & Marketing Director

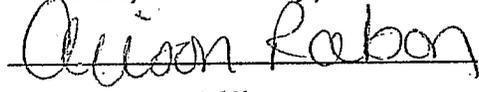
KHOV035867

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, , 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 38,700.00 .


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994 .

GRANTEE EVELYN A. SYKES

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY , 1994 , before me, the subscriber EVELYN A. SYKES , personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to EVELYN A. SYKES

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV035868

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between EVELYN A. SYKES, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 104 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22-10

Also more particularly described as:

Together with:

- All buildings and other improvement that now are or will be located on the Property.
- All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
- All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

- The Borrower acknowledges and understands that:
 - Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
- The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

- The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035871

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A-X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 500000 PRODUCTS-COMP/OP AGG. \$ 300000 PERSONAL & ADV. INJURY \$ 300000 EACH OCCURRENCE \$ 300000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$ 500
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

Subscribed
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED
LDC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010038000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commercial Drive
Granford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
	OTHER <input checked="" type="checkbox"/> Blanket Building Contents <input checked="" type="checkbox"/> Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000 100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED
LOC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10' BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER **A** St. Paul Fire & Marine

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c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER <input checked="" type="checkbox"/> Blanket Building Contents <input checked="" type="checkbox"/> Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. 100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED
LOC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

KHOV035886

REORDER ITEM NUMBER 492-314 THE ACORDS BUREAU, INCORPORATED, 11111 11111 11111

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNIANIAN URBAN-RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): EVELYN A SYKES (u) of 220 12TH AVENUE/2ND FLOOR
 Tel: Res: (201) 631-8573 NEWARK
 Bus: (201) 983-5761 NJ , 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.10
 BLDG NO: 22 , UNIT NO: E2 , MODEL: 3TH1050-UL UPPER M.L. L

The PURCHASE PRICE : \$ 38,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 38,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	20-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20-NOV-1993
	ADDITIONAL DEPOSIT	\$ 161.00	BY DATE	20-DEC-1993
	BALANCE at CLOSING	\$ 37,539.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 38,700.00		

MORTGAGE AMOUNT : \$ 37,500.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
 Urban Renewal Corporation III, Inc.
Wahy
 (SELLER) 11-22-93 DATE

**Evelyn Sykes* 11-20-93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarsana, Inc.
 Attn: H. Michael McGrawvey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035902



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

- 15. ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
- 16. NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
- 17. DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
- 18. WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of November, 1993.

Buyer: Evelyn Sykes

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Evelyn Sykes 11-20-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne 11-22-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Ingram
Lot: 24.21 Block: 406
Address: 110 Callahan Court
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: 9-30-94
Deed Amount: 97,861.30
Certificate of
Occupancy date: 2-24-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mortgage, Inc.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

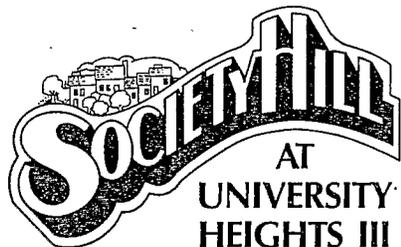
Elaine Ingram

Elaine Ingram

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Nilma Baez

Nilma Baez
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035912



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Ingram
Lot: 24.21 Block: 406
Address: 110 Callahan Court
NEWARK, NJ 07103

Closing date: 9-30-94
Deed Amount: 97,861.30

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mortgage, Inc.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Elaine Ingram
Elaine Ingram

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Nilma Baez
Nilma Baez
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035913

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN

RED NAMED ABOVE FOR THE POLICY PERIOD OR DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE IS SUBJECT TO ALL THE TERMS, CONDITIONS AND CLAIMS.

Copy for Association

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	DESCRIPTION	AMOUNT	START DATE	END DATE	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.	EC02900238	GENERAL AGGREGATE	\$	5000000		
			PRODUCTS-COMP/OP AGG.	\$	5000000		
			PERSONAL & ADV. INJURY	\$	3000000		
			EACH OCCURRENCE	\$	3000000		
			FIRE DAMAGE (Any one fire)	\$	50000		
			MED. EXPENSE (Any one person)	\$	5000		
	AUTOMOBILE LIABILITY		COMBINED SINGLE LIMIT	\$			
	ANY AUTO		BODILY INJURY (Per person)	\$			
	ALL OWNED AUTOS		BODILY INJURY (Per accident)	\$			
	SCHEDULED AUTOS		PROPERTY DAMAGE	\$			
	HIRED AUTOS						
	NON-OWNED AUTOS						
	GARAGE LIABILITY						
	EXCESS LIABILITY		EACH OCCURRENCE	\$			
	UMBRELLA FORM		AGGREGATE	\$			
	OTHER THAN UMBRELLA FORM						
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		STATUTORY LIMITS				
			EACH ACCIDENT	\$			
			DISEASE-POLICY LIMIT	\$			
			DISEASE-EACH EMPLOYEE	\$			
A	Blkt Bldg. & Cmts	EC02900238			1/01/94	1/01/95	\$11,475,000 ALLRISK
A	Fidelity	EC02900238			1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ELAINE INGRAM, UNMARRIED
LOC: 110 CALLAHAN COURT, NEWARK, NJ 07103 (22F1) LOT: 22.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. C
SUITE L CN3605
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 010036000



Enrollment NJ

843903

Lot _____

Development Society Hill @ UN.
H675

Residential Warranty Corporation
5300 Derry Street, Harrisburg, PA 17111-3598
Phone #: 717-561-4480

LIMITED WARRANTY PROGRAM

INSURER: WESTERN PACIFIC

*EXTRA
Set*

ANY, A RISK RETENTION GROUP

LIMITED WARRANTY AGREEMENT

CLAIMS PROCEDURES

APPROVED STANDARDS

LIABILITY UNDER THIS LIMITED WARRANTY IS LIMITED TO THE FINAL SALES PRICE LISTED ON THE ENROLLMENT FORM.

THE BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ATTACHED SALES CONTRACT OR THE ENROLLED HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY.

PLEASE NOTE:

THE MATCHING NUMBERED ENROLLMENT FORM IS AN INTEGRAL PART OF THIS LIMITED WARRANTY.

FHA/HUD Financed Homes — see NJ HUD Addendum pg. 24

KHOV035930



RESIDENTIAL WARRANTY CORPORATION

5300 Derry Street, Harrisburg, PA 17111-3598

717-561-4480 FAX 717-561-4494

Dear Homebuyer:

Congratulations on the purchase of your new home. This is probably the largest, most important single investment you've ever made and we wish you many years of enjoyment. Since you've chosen a quality Builder, a recognized leader in residential construction, your investment is unusually well protected. This booklet explains why and we hope you will take the time to **READ IT CAREFULLY**.

This insurance-backed **limited** warranty affords you protection for ten full years of home ownership. During the first two years, your **limited** warranty stands behind your Builder and protects you in the unlikely event your Builder is unable or unwilling to perform, subject to the conditions and exclusions listed herein. During the next eight years, your **limited** warranty protects your home against any major structural defect which may occur.

This Agreement includes procedures for informal settlement of disputes, including arbitration. Certain defects are covered for periods of one or two years only.

Please note that RWC must receive a written notice of claim within thirty days after the expiration of the applicable limited warranty period. For example, if the defect is one which is covered under the Builder's one-year limited warranty period, notice must be received by RWC within thirty days of the end of the first year, or the notice will not be honored. This notice must contain the following information:

- (1) The enrollment number and effective date of limited warranty;
- (2) The Builder's name and address;
- (3) Your name, address, and phone number (both home and work);
- (4) A specified description of the defect;
- (5) The page and section number of this Agreement containing the applicable limited warranty standard(s); and
- (6) A copy of your written notice to the Builder.

Additional information may be received by calling RWC at 717-561-4480.

Take a minute now to read this booklet in its entirety so that you will be familiar with its coverages and limitations. Your Builder will be able to answer any questions you may have about the **limited** warranty or specific construction standards and how they apply to your home.

Again, congratulations and enjoy your new home!

Very truly yours,

RESIDENTIAL WARRANTY CORPORATION

KHOV035931

LIMITED WARRANTY INSURANCE PROGRAM

INTRODUCTION

Residential Warranty Corporation ("RWC") administers the **limited** warranty program as described in this Agreement. During the first two (2) years of this program, the Builder, as identified on the Home Enrollment Form is the warrantor. The Builder has purchased insurance coverage from Western Pacific Mutual Insurance Company, A Risk Retention Group ("WPIC") to benefit the Purchaser both by acting if the Builder fails to perform its obligations set forth herein and by providing Major Structural Defects insurance coverage, all as described in this Agreement. Section A describes the protection which this program affords to the Purchaser; Section B defines the terms used in this Agreement and sets forth the exclusions from the program; Section C sets forth **limited** warranty standards which will govern the interpretation and operation of the program.

THIS AGREEMENT INCLUDES PROCEDURES FOR INFORMAL SETTLEMENT OF DISPUTES, INCLUDING ARBITRATION. PLEASE NOTE THAT CERTAIN DEFECTS ARE COVERED FOR PERIODS OF ONE OR TWO YEARS ONLY. CLAIMS FOR THESE DEFECTS MUST BE RECEIVED BY RWC, BY CERTIFIED MAIL, WITHIN THIRTY DAYS OF THE EXPIRATION OF THE APPLICABLE COVERAGE PERIOD OR THEY WILL NOT BE HONORED. ADDITIONAL INFORMATION MAY BE RECEIVED BY CALLING RWC AT 717-561-4480. INFORMATION REGARDING THE CLAIMS PROCESS APPROVED BY THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS CAN BE OBTAINED BY CALLING DCA AT 609-530-8785. YOU SHOULD READ THIS AGREEMENT IN ITS ENTIRETY IN ORDER TO UNDERSTAND THE PROTECTION IT PROVIDES, THE EXCLUSIONS APPLICABLE TO IT, AND THE LIMITED WARRANTY STANDARDS WHICH WILL GOVERN ITS INTERPRETATION AND OPERATION.

It should be understood by the Purchaser that every newly constructed home needs maintenance and that it is the Purchaser's responsibility, not the Builder's, to maintain the home. Any damage or defect caused or worsened by neglect, abnormal use, or improper maintenance and operation on the part of the Purchaser will not be covered by this Agreement.

SECTION A: THE LIMITED WARRANTY PROGRAM

The Builder is the warrantor during the first two years of this Agreement. Western Pacific Mutual Insurance Company, a Risk Retention Group, ("WPIC"), provides insurance coverage insuring the Builder's performance hereunder during the first two years of this **Limited** Warranty and is the warrantor providing insurance protection against Major Structural Defects, as defined in Section B, during the third through tenth years of this **Limited** Warranty. Residential Warranty Corporation ("RWC") will administer the **limited** warranty program for participating Builders and WPIC. RWC is neither a warrantor nor insurer. The protection provided

under the **limited** warranty program is automatically transferable to subsequent Purchasers during the ten year term of this Agreement.

1. PROTECTION PROVIDED

The **limited** warranty program provides you with the following protection:

(a) YEAR ONE COVERAGE

Commencing on the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, the Builder warrants that for a period of one year your home will be free from defects due to nonconformity with the **limited** warranty standards set forth in Section C of this Agreement. With respect to fixtures, appliances and items of equipment, the **limited** warranty is for one year or the manufacturer's written warranty, whichever is less.

(b) YEARS ONE AND TWO COVERAGE

Commencing on the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, the Builder warrants that for a period of two years, your home will have no Major Structural Defects (as defined in Section B of this Agreement) and that certain portions of the home's systems will be free from defects due to nonconformity with the **limited** warranty standards set forth in Section C of this Agreement.

(c) YEARS THREE THROUGH TEN COVERAGE

Commencing at the beginning of the third year following the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, WPIC will protect your home for a period of eight years against loss resulting from Major Structural Defects (as defined in Section B of this Agreement).

2. CONDOMINIUM COVERAGE - COMMON ELEMENTS

This Agreement shall only be applicable to common elements. Common elements are those portions of a condominium structure which serve two or more residential units, and are contained wholly within the structure. **Limited** warranty coverage for common elements shall be for the same periods and to the same extent as similar or comparable items in individual residential units. Examples of common elements which are covered by the **limited** warranty are hallways, meeting rooms and other spaces wholly within the structure and designated for the use of two or more units; and those portions of the electrical, heating, ventilating, cooling, and plumbing systems which serve two or more units. Examples of common elements which are not covered under this **limited** warranty agreement are club houses, recreational buildings and facilities, exterior structures, or any other non-residential structure which is a portion of the condominium.

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WPIC #317
Rev. 9/20/93

3. BUILDER'S RESPONSIBILITY AND PURCHASER'S RIGHTS: YEARS ONE AND TWO

If a defect in your home arises due to nonconformity with the **limited** warranty standards during the first year of this Agreement, or if a covered defect in your home's cooling, ventilating, electrical, or plumbing systems arises due to nonconformity with the **limited** warranty standards during the first two years of this Agreement, the Builder will repair, replace, or pay you the reasonable cost of repairing or replacing the defective item; if a Major Structural Defect arises in your home during the first two years of this Agreement, the Builder will repair, replace, or pay you the reasonable cost of repairing or replacing the defective item, limited to such actions as are necessary to restore load-bearing capability to the load-bearing components of the home and to repair those elements of the home damaged by the Major Structural Defect.

4. CONDITIONS AFFECTING BUILDER'S RESPONSIBILITY; WPIC'S YEARS 1 AND 2 LIMITED WARRANTY; AND PURCHASER'S RIGHTS

In each instance, the Builder's responsibility and WPIC's years 1 and 2 **limited** warranty coverage are subject to the following:

(a) In the event of a **limited** warranty claim, the decision of whether to repair or replace a defective item, or to pay you the reasonable cost of repair or replacement, is solely the Builder's or WPIC's, as applicable.

(b) The Builder's and WPIC's aggregate total liability is limited to and shall not exceed the sale price listed on the Home Enrollment Form.

(c) If the Builder does not fulfill its obligation under this Agreement, WPIC will be responsible for the Builder's obligations, subject to a one-time deductible of \$250. In the case of the common elements of a condominium, the deductible shall be \$250 per unit affected by the common elements defect, or \$5,000—whichever is less.

(d) Actions taken to cure defects will not extend the periods of coverage specified in this Agreement.

(e) When the Builder finishes repairing or replacing a defective item, or prior to the Builder paying you the reasonable cost of doing so, you must sign and deliver to the Builder a full and unconditional release of all legal obligations with respect to the defect. If WPIC fulfills such obligations of the Builder, you must sign and deliver to WPIC a full and unconditional release of all legal obligations of WPIC with respect to the defect when WPIC finishes repairing or replacing a defective item or prior to WPIC paying you the reasonable cost of doing so.

(f) In the event the Builder or WPIC repairs or replaces, or pays you the reasonable cost of the repair or replacement of any defective item covered by this Agreement, the Builder and WPIC shall be subrogated to all of your rights of recovery therefore against any person or entity (including the Builder if its obligations hereunder have been performed by WPIC), and you agree to execute and deliver any and all instruments and papers and to take any and all other actions necessary to secure

such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to the Builder or WPIC, as appropriate. You shall do nothing to prejudice such rights of subrogation.

(g) This Agreement provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.

(h) If a claim under this Agreement involves a common element in a condominium, the claim may be made only by an authorized representative of the condominium association. However, if the Builder retains a voting interest in the association of more than 50%, the claim may be made by unit owners representing 10% of the voting interests in the association.

(i) Notwithstanding anything to the contrary contained in this Agreement, if a claim is resolved by the payment of cash, in lieu of repair or replacement, the payment shall be made to or on behalf of you and any mortgagees (or their successors), as your interests may appear, provided neither the Builder nor WPIC shall have any obligation to make payment jointly to the Purchaser and mortgagee, where the mortgagee has not notified WPIC in writing of its security interest in the home prior to the payment of the claim. A mortgagee shall be completely bound by any agreement, conciliation or arbitration accepted by the Purchaser relating to a claim hereunder.

(j) Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Purchaser is represented by legal counsel.

5. WPIC'S RESPONSIBILITY AND PURCHASER'S RIGHTS: YEARS THREE THROUGH TEN

If Major Structural Defect (as defined in Section B of this Agreement) arises in your home during years three through ten of this Agreement, WPIC, at its sole option, will repair or replace, or pay you the reasonable cost of repairing or replacing, the defective item, limited to such actions necessary to restore load-bearing capability to the load-bearing components of the home and to repair those elements of the home damaged by the Major Structural Defect.

6. CONDITIONS AFFECTING WPIC'S RESPONSIBILITY AND PURCHASER'S RIGHTS

In each instance, WPIC's responsibility is subject to the following:

(a) In the event of a **limited** warranty claim, the decision of whether to repair or replace a defective item, or to pay you the reasonable cost of repair or replacement, is WPIC's.

(b) The total liability of WPIC under this Agreement is limited to and shall not exceed the least of the following:

- (1) the sale price listed on the Home Enrollment Form;
- (2) the reasonable cost of that part of the building damaged for like construction and use on the same premises;
- (3) the necessary amount to repair or replace the portion of the building rendered uninhabitable by the Major Structural Defect; less all amounts paid by or on behalf of WPIC under this Agreement.

(c) WPIC's liability in years 3 through 10 under this Agreement is subject to a deductible of \$250 per claim. In each instance, the deductible must be paid by you prior to repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the deductible shall be \$250 per unit affected by the common element defect, or \$5,000—whichever is less.

(d) Actions taken to cure defects will not extend the periods of coverage specified in this Agreement.

(e) When WPIC finishes repairing or replacing or prior to WPIC paying the reasonable cost of repair or replacement of a Major Structural Defect under this Agreement, you must execute a full and unconditional release of all WPIC's obligations with respect to the Major Structural Defect.

(f) If WPIC repairs or replaces, or pays you the reasonable cost of repair or replacement of any Major Structural Defect, WPIC shall be subrogated to all of your rights of recovery therefore against any person or entity, and you agree to execute and deliver any and all instruments and papers and to take any and all other actions necessary to secure such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to WPIC. You shall do nothing to prejudice such rights of subrogation.

(g) This Agreement provides **limited** warranty coverage in excess of coverage provided under other warranties or insurance, whether collectible or not.

(h) If a claim under this Agreement involves a common element in a condominium, the claim may be made only by an authorized representative of the condominium association. However, if the Builder retains a voting interest in the association of more than 50%, the claim may be made by unit owners representing 10% of the voting interests in the association.

If a claim under this Agreement involves a common element affecting multiple units, and all affected units are not warranted by the WPIC Limited Limited Warranty Insurance Program, WPIC's liability shall be limited to only those units warranted by WPIC. WPIC's limit of liability shall be prorated based upon the number of units warranted by WPIC.

(i) Notwithstanding anything to the contrary contained in this Agreement, if WPIC decides to pay the reasonable cost of repairing a Major Structural Defect, the payment shall be made

to or on behalf of you and any mortgagees (or their successors), as your interests may appear, provided neither the Builder nor WPIC shall have any obligation to make payment jointly to the Purchaser and mortgagee, where the mortgagee has not notified WPIC in writing of its security interest in the home prior to such payment. A mortgagee shall be completely bound by any conciliation or arbitration relating to the Major Structural Defect between the Purchaser and WPIC.

(j) Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Purchaser is represented by legal counsel.

7. HOW TO MAKE A LIMITED WARRANTY CLAIM; DISPUTE SETTLEMENT

(a) Pursuant to the New Jersey New Home Warranty and Builders Registration Act (P.L. 1977, C. 467) the filing of a claim against this Agreement shall constitute the election of remedy and shall bar the Purchaser from all other remedies. Nothing herein shall be deemed to limit the Purchaser's right to elect other remedies except that such election shall bar the Purchaser from pursuing the same claim under this Agreement and in accordance with the procedures related hereto. Election of other remedies shall mean the filing of a complaint, counterclaim, crossclaim, or third party complaint in any court that alleges matters covered by this Agreement in particular or unworkmanlike construction in general.

(b) Carefully read and review this Agreement and the standards contained herein to determine whether the defect is covered.

(c) NOTICE TO YOUR BUILDER

If you have a complaint which you believe is covered by this Agreement and it arises during the first two years of this Agreement, you should send a clear and specific notice of the complaint to your Builder. If you have a claim covered during years three through ten of this Agreement, see Section A(7)(j).

PLEASE NOTE: Notice to the Builder does not constitute notice to RWC nor will it be deemed to extend applicable coverage periods.

(d) NOTICE TO WPIC: TIME OF NOTICE

If notice to the Builder does not result in satisfaction within a reasonable time, RWC, as agent for WPIC, should then be given written notice of the complaint by certified mail, return receipt requested. **PLEASE NOTE THAT RWC MUST RECEIVE A WRITTEN NOTICE OF CLAIM WITHIN THIRTY DAYS AFTER THE EXPIRATION OF THE APPLICABLE LIMITED WARRANTY PERIOD. FOR EXAMPLE, IF THE DEFECT IS ONE WHICH IS COVERED**

UNDER THE BUILDER'S ONE-YEAR WARRANTY PERIOD, NOTICE MUST BE RECEIVED BY RWC WITHIN THIRTY DAYS OF THE END OF THE FIRST YEAR, OR THE NOTICE WILL NOT BE HONORED. THIS NOTICE MUST CONTAIN THE FOLLOWING INFORMATION:

- (1) The enrollment number and effective date of limited warranty;**
- (2) The Builder's name and address;**
- (3) Your name, address, and phone number (both home and work);**
- (4) A specified description of the defect;**
- (5) The page and section number of this Agreement containing the applicable limited warranty standard(s); and**
- (6) A copy of your written notice to the Builder.**

(e) INSPECTION AND INVESTIGATION REPORT

RWC, as agent for WPIC, will review your complaint and, if necessary, send you a form by which you may request an inspection of the defect. Upon receipt of the form, RWC will cause an investigator, who may be an employee of RWC, to view the defect and to report to both you and your Builder. Upon receipt of the investigator's report, which will be completed within thirty (30) business days after the investigation, RWC will report to you and your Builder. The report will state the Builder's obligations. Upon receipt of this report, you have thirty (30) days to accept the report or file a claim for arbitration. **IF YOU FAIL TO ACT, YOU WILL BE DEEMED TO HAVE DISCONTINUED YOUR CLAIM AND NEITHER THE BUILDER NOR WPIC WILL BE BOUND BY THE DECISION.**

Where a claimed defect is filed that cannot be observed or determined under normal conditions, it is the homeowner's responsibility to substantiate that the condition does exist. Any cost involved shall be paid by the owner, and if properly substantiated, reimbursement shall be made by your Builder or WPIC, whichever is liable for the claim.

(f) ARBITRATION

Arbitration can be initiated at any time and must not necessarily follow the informal dispute settlement process. If you disagree with the investigator's report, you have thirty (30) days to notify RWC, as agent for WPIC, and the Builder, in writing, that you disagree. In such event, disputes shall be submitted for arbitration to the American Arbitration Association (AAA), or such other independent arbitration service as may be designated by WPIC, for resolution in accordance with the rules and regulations of the AAA or such other service. The cost of Arbitration shall be borne by the Builder or WPIC. Such arbitration shall be a condition precedent to the commencement of any litigation arising out of or connected with the rights and obligations created by this Agreement. Upon delivery of an arbitration award ("Award") to the parties, any party may within twenty (20) days request an appeal of the Award. The cost of appeal of the Arbitrator's decision will be determined by the arbitration service and advanced by the party making application for appeal. A request for appeal must be sent, together with the appropriate administrative fee, to RWC, with copies of the request simultaneously being sent to all other parties. Upon

receipt of the request for appeal and the appropriate administrative fee, RWC will forward the application to the AAA, or other service, for administration. The AAA, or other service, will appoint an appellate arbitrator, in accordance with its procedures, to review the matter, and visit the home and view the subject matter of the Purchaser's complaint. Within ten (10) days of receipt of notice of appeal from the AAA, or other service, the other parties must deliver a written reply to the appeal to the AAA, or other service, and simultaneously send it to all other parties. The AAA, or other service, will transmit copies of the appeal and reply to the Appellate Arbitrator. The Appellate Arbitrator shall render a decision regarding the application for appeal within ten (10) days from receipt of application for appeal and reply, if no party wishes a site hearing, or within twenty (20) days after the site hearing. The Appellate Arbitrator may not review any new or different complaints, but may modify or change the Award if he or she finds that the Award exceeds or does not meet the scope of the Agreement or its coverage. The AAA, or other such party, will notify all parties of the decision of the Appellate Arbitrator, which will be final. The Builder and WPIC have agreed to be bound by the final award of arbitration or appellate arbitration, as applicable, in all states. Judgment upon the final award rendered in arbitration may be entered in any court having jurisdiction in those states where such arbitration is binding upon all parties thereto.

(g) ACCEPTANCE OF DECISION

If you accept the arbitration decision, you must sign a copy which will be provided for this purpose and return it to RWC, as agent for WPIC, within thirty (30) days of its date. The Builder will then perform as required by the decision, but neither WPIC nor the Builder will be responsible for damages caused or made worse by your delay in accepting the decision. If the decision places a time period on your Builder's performance, the time allowed will be measured from the date RWC receives your acceptance of the decision. Sixty days will be the standard time for compliance.

(h) RIGHT OF ACCESS

You must provide the Builder, or if applicable, WPIC, with reasonable weekday access during normal business hours in order to perform its obligations under this Agreement. Failure by you to provide such access to the Builder or WPIC may relieve the Builder or WPIC of its obligations under this Agreement.

(i) ADDITIONAL PROTECTION: WPIC

If the Builder does not fulfill its obligations under this Agreement, WPIC will be responsible for the Builder's obligations, subject to a one-time deductible as described in Section A(4)(c).

(j) NOTICE OF MAJOR STRUCTURAL DEFECT CLAIM TO WPIC; TIME OF NOTICE

If you have a claim as a result of a Major Structural Defect occurring during the third through tenth years of this Agreement, you should notify RWC, as agent for WPIC, and RWC will investigate the claim. All such claims must be presented in writing to RWC (not the Builder) by certified mail, return receipt requested, within a reasonable time after the Major

Structural Defect arises but in no event later than thirty days after the expiration of the term of this Agreement. Claims received after this period will not be honored. In the event RWC, as agent for WPIC, disagrees with your claim, the dispute resolution procedures of Sections A(7)(f) and (g) will apply between WPIC and you.

(k) All limited warranty repairs made will be in accordance with the Uniform Construction Code.

8. LEGAL ACTIONS

This Agreement provides a procedure for you to give notice to both the Builder and WPIC of potential claims, to have an inspection at no cost to you, and to give the Builder or WPIC, as appropriate, an opportunity to fulfill their obligations hereunder. If you institute legal proceedings against the Builder or WPIC for any obligation arising or claimed to have arisen under this Agreement prior to giving the Builder or WPIC the proper notices and opportunities to cure provided under this Agreement, you agree to indemnify the Builder and WPIC, as appropriate, for all costs and expenses of such litigation, including reasonable attorneys' fees, regardless of whether you have an otherwise legitimate claim under this Agreement. For purposes of this Agreement, litigation shall include arbitration proceedings. In the event you strictly follow the procedures provided in this Agreement and you commence legal proceedings, alleging that the Builder or WPIC failed to honor their obligations hereunder, the arbitrator or courts shall have the authority to award litigation costs, including reasonable attorneys' fees, to the substantially prevailing party in such litigation. In no event shall WPIC have any obligation to reimburse you if the Builder fails to pay to you litigation costs which may be awarded to you hereunder.

9. ROLE OF RWC

RWC, as administrator of this Limited Warranty Agreement, is acting solely as agent for WPIC. RWC is neither a warrantor nor an insurer. In the event you commence any legal action against RWC, in its individual capacity, you agree to reimburse RWC, or any other agent of WPIC, for all of its costs and expenses of litigation, including reasonable attorneys' fees, unless such litigation arises out of an independent wrongful action of RWC.

10. GENERAL TERMS AND CONDITIONS AFFECTING THIS AGREEMENT

The following terms and conditions of general applicability will govern the interpretation and operation of this Agreement:

- (a) The Builder must assign to you all manufacturers' warranties on products included in the sales price of your home.
- (b) This Agreement is separate and apart from and cannot be affected by your contract with the Builder. It cannot be altered or amended in any way by any other agreement which you may have.
- (c) All notices required under this Agreement must be in writing and sent by certified mail, postage prepaid, to the recipient's address shown on the Home Enrollment Form, or to whatever other address the recipient may designate in writing.

(d) Should any provision of this Agreement be determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.

(e) This Agreement is binding on the Builder and the Purchaser, his heirs, executors, administrators, successors and assigns.

(f) This Agreement shall be interpreted and enforced in accordance with the laws of the state in which the home is located.

(g) This Agreement cannot be modified, altered or amended in any way except by a formal written instrument signed by all of the parties hereto.

(h) If performance by the Builder or WPIC of any of their respective obligations under this Agreement is delayed by an event not resulting from their own conduct, such performance will be excused until the delaying effects of the event are remedied. Such events include acts of God or the common enemy, war, riot, civil commotion or sovereign conduct, or acts by persons who are not parties to this Agreement.

(i) Whenever appropriate, it is intended that the use of one gender in this Agreement includes all genders and the use of the singular includes the plural.

SECTION B. DEFINITIONS AND EXCLUSIONS

1. DEFINITIONS

For the purpose of this Agreement, the following terms shall have the meanings set forth herein:

(a) Purchaser: The Purchaser shall include the first Purchaser of the home under this Agreement and any and all successors in title, lessees having a leasehold interest in the home of at least fifty years, and a mortgagee in possession of the home.

(b) Builder: The person, corporation, partnership, or other entity which is a participating member of this Limited Warranty Program and which obtained this Agreement for the Purchaser.

(c) Effective Date of Limited Warranty: The date specified on the Home Enrollment Form.

(d) Home: A single family dwelling, a two-or-more unit structure which may be conveyed as a single unit, and the common elements which comprise the building in which a condominium unit is situated and which it shares in common with other units in the building.

(e) Major Structural Defects:

(i) The load bearing portion of a home is defined as the framing members and structural elements that transmit both dead and live loads of the home to the supporting ground. Examples of load bearing elements are: roof rafters and trusses; ceiling and floor joists; bearing partitions, supporting beams, columns, basement and foundation walls, and

footings.

(ii) A structural failure will not be considered a defect until it has been established by RWC under the Uniform Construction Code in effect on the date that the Construction Permit under which the new home was constructed was issued as an actual or pending structural failure of some part of the load bearing system as defined in (a) above. To be eligible, such defect does not have to render the home uninhabitable, however, it must be of such a serious nature that it vitally affects the use of the home for residential purposes.

(iii) The following are excluded as major structural defects:

- (1.) Changes by the owner to the established grade lines affecting basement and foundation walls;
- (2.) Movement caused by flood or earthquake;
- (3.) Actual or resultant damage caused by lightning, tornado, unnatural high winds or hurricanes;
- (4.) Damage caused by additions or alterations to the home;
- (5.) Improper loading over and above the design criteria for which that portion of the house was intended;
- (6.) Resultant structural damage due to fire;
- (7.) Changes in the water level which is caused by new development in the immediate area or can be directly traced to an act of nature;
- (8.) Water seepage in basement or crawlspace after the first year of coverage.

(iv) In the case where a major structural defect exists and the home is rendered uninhabitable, the Builder/Warrantor shall be responsible to pay for reasonable shelter expenses of the Owner until the home is made habitable should the condition occur during the first two years of the warranty. WPIC will assume such responsibility during the third through tenth year coverage.

(f) Cooling, Ventilating, and Heating Systems: All ductwork, refrigerant lines, steam and water pipes, registers, convectors, and dampers.

(g) Plumbing Systems: All pipes (supply and waste) and their fittings, including septic tanks and their pipe drain fields, as well as gas supply lines and vent pipes.

(h) Electrical Systems: All wiring, electrical boxes, and connections, up to the public utility connection.

(i) Fixtures, Appliances and Items of Equipment, including Attachments and Appurtenances: Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, stoves and ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets and valves, lights and fixtures, switches, outlets, circuit breakers, thermostats, furnaces and oil tanks, humidifiers, oil purifiers, ventilating fans, air conditioning material, in-house sprinkler systems, and similar items.

(j) Administrator: Residential Limited Warranty Corporation.

(k) Insurer: Western Pacific Mutual Insurance Company, A Risk Retention Group.

(l) Warrantor: The Builder in years one and two and the Insurer in years three through ten.

2. EXCLUSIONS

The following are not covered under this Agreement (by the Builder or WPIC):

(a) Failure of the Builder to complete construction of the home or any part of the home on or before the Effective Date. An incompleting item is not considered a defect. The limited warranty period for any item completed after the Effective Date shall be deemed to have commenced on the Effective Date.

(b) Any defect which does not result in actual physical damage or loss.

(c) Consequential damages to personal property.

(d) Personal property damage or bodily injury.

(e) Any claim reported to WPIC after an unreasonable delay or later than thirty days after the expiration of the applicable **limited** warranty period.

(f) Loss or damage caused directly or indirectly by insects, birds, vermin, rodents, or wild or domestic animals.

(g) Any loss or defect which arises while the home is used primarily for nonresidential purposes.

(h) Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil (excluding flood and earthquake) which is covered by any other insurance or for which compensation is granted by legislation.

(i) Normal deterioration or normal wear and tear.

(j) Any deficiencies in or damage caused by material or work supplied by anyone other than the Builder or its employees, agents, or subcontractors, including but not limited to the items listed as additional exclusions on the Final Enrollment Form.

(k) Damages or losses not caused by a defect in construction of the home by the Builder or its employees, agents, or subcontractors, but resulting from accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, windstorms, hail, lightning, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, faults, crevices, earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

(l) Loss or damage resulting from the Purchaser's failure to minimize or prevent such loss or damage in a timely manner.

(m) Loss or damages to or resulting from defects in outbuildings including, but not limited to detached carports (except outbuildings which contain plumbing, electrical heating, cooling or ventilation systems serving the home (a fence, utility line or similar union shall not cause an outbuilding to be considered attached), site located swimming pools and other recreational facilities; driveways; fences; landscaping (including sodding, seeding, shrubs, trees and plantings) french drains; off-site improvements; or any other improvements not a part of the home itself.

(n) Following the first year of this Agreement, loss or damage resulting from concrete floors of basements and attached garages and chimneys which are constructed separate from foundation walls or other structural elements of the home.

(o) Loss or damage to real property which is not part of the home (land is not considered a part of the home) covered by this Agreement and which may or may not be included in the Final Sales Price listed on the Final Enrollment Form.

(p) Loss or damage resulting from, or made worse by, changes in the grading of the property by anyone except the Builder or its employees, agents or subcontractors.

(q) Loss or damage resulting from, or made worse by, modifications or additions to the home made after commencement of the term of this Agreement (other than changes made in order to meet the obligations of this Agreement).

(r) Loss or damage resulting from, or made worse by, dampness, condensation or heat build-up caused by the failure of the Purchaser to maintain proper ventilation.

(s) Any defect, damage or loss which is caused or made worse by failure of the Purchaser to notify the Builder or RWC, as applicable, of any defect within a reasonable period of time.

(t) Any defect, damage, or loss which is caused or made worse by failure by anyone other than the Builder or its agents, employees, or subcontractors to comply with the manufacturers' limited warranty requirements concerning appliances, fixtures or items of equipment.

(u) Loss or damage resulting from, or made worse by, negligent maintenance or operation of the home and its systems by anyone other than the Builder or its employees, agents, or subcontractors.

(v) Following the first year of this Agreement, any deficiencies in fixtures, appliances, and items of equipment whether or not components of the cooling, ventilating, heating, electrical, plumbing or in-house sprinkler systems. During the first year of this Agreement, coverage on fixtures, appliances, and items of equipment (including attachments and appurtenances) is for one year or the manufacturer's written limited warranty period, whichever is less. Damage caused by improper maintenance or operation, negligence, or improper service of such systems by the Purchaser or its agents will not be covered by this Agreement.

(w) Loss or damage resulting from a condition not resulting in actual physical damage to the home, including uninhabitability or health risk due to the presence or consequences of unacceptable levels of radon, formaldehyde, carcinogenic substances, or other pollutants and contaminants; or the presence of hazardous or toxic materials.

(x) Loss or damage caused directly or indirectly by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure) wetlands, springs or aquifers.

(y) Violations of applicable building codes or ordinances.

(z) Any loss or damage resulting from the weight and/or performance of any type of waterbed or any other furnishings excessive in weight for which the home was not designed.

SECTION C. LIMITED WARRANTY STANDARDS

1. PURPOSE OF THE STANDARDS

This section establishes the standards by which it will be determined whether your home has a problem which is covered by this Agreement and the obligation of the Builder or WPIC to correct those defects. Where specific standards and obligations are not set forth, the standard shall be the accepted industry practice for workmanship and materials.

2. CONDITIONS APPLICABLE

The applicability of the **limited** warranty standards is conditioned upon the fact that your home is constructed in compliance with the Uniform Construction Code of the State of New Jersey.

3. ADDITIONAL CONDITIONS: PURCHASER'S RESPONSIBILITY

The applicability of these **limited** warranty standards is further conditioned upon the purchaser's proper maintenance of the home to prevent damage due to neglect, abnormal use or improper maintenance.

4. STANDARDS APPLICABLE DURING YEAR ONE ONLY

The structural and mechanical systems standards to be used in determining the adequacy of design, materials and workmanship for the structural components of the home and for the mechanical systems of the home including plumbing, electrical and heating and cooling systems shall be the provisions of the State Uniform Construction Code in effect on the date that the construction permit under which the new home was constructed was issued.

The following performance standards set minimum standards which prescribe the level for quality of materials and performances in workmanship for the construction of new homes. To the extent that detailed minimum performance standards for construction have not been enumerated in these Performance Standards, builders shall construct homes in accordance with good industry practice which assures quality of materials and workmanship. Likewise, the validity of any home buyer's claims for defects for which a standard has not been enumerated here shall be determined on the basis of good industry practice which assures quality of materials and workmanship, and any conciliation or arbitration of such claims shall be conducted accordingly.

The Performance Standards list specific items with each separate area of coverage.

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
(a) SITE WORK		
1. Grading: Settling of ground around foundation walls, utility trenches or other areas on the property where excavation and back fill have taken place that affect drainage away from the house.	Settling of ground around foundation, walls, utility trenches or other filled areas: which exceeds a maximum of six inches from finished grade established by the Builder/Warrantor.	If Builder/Warrantor has provided final grading, Builder shall fill settled areas affecting proper drainage, one time only, during the first year Warranty period. Builder/Warrantor is then responsible for removal and replacement of shrubs and other landscaping installed by the Builder/Warrantor affected by placement of the fill.
2. Drainage: Improper grades and swales which cause standing water and affects the drainage in the immediate area surrounding the home.	Necessary grades and swales shall be established to provide proper drainage away from the house. Site drainage under this warranty is limited to those immediate grades and swales surrounding the home. Standing or ponding water within the immediate surrounding area of the home shall not remain for a period longer than 24 hours after a rain. Where swales are draining from adjoining properties or where a sump pump discharges, an extended period of 48 hours is to be allowed for the water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.	Responsible for initially establishing the proper grades, swales and drainage away from the home. The owner is responsible for maintaining such grades and swales once properly established by the Builder/Warrantor to prevent runoffs and erosion of the soil. Standing or ponding water on the property which does not directly affect the immediate area surrounding the foundation of the home, caused by unusual grade conditions, retainage of treed areas, or sodding done by the homeowner is not considered a defect. Soil erosion and runoff caused by failure of the owner to maintain the properly established grades, drainage structures and swales, stabilized soil, sodded, seeded and landscaped areas, are excluded from the Warranty.
3. Grassed or landscaped areas which are disturbed or damaged due to work on the property in correcting a deficiency.	Landscaped areas which are disturbed during repair work is a defect.	Restore grades, seed and landscape to meet original condition. Replacement of trees and large bushes which existed at the time the house was constructed or those added by the owner after occupancy or those which subsequently die are excluded from Warranty Coverage.

(b) CONCRETE **KHOV035939**

1. Cast-in place concrete: Basement or foundation wall cracks, other than expan-	Non-structural cracks are not unusual in concrete foundation walls. Cracks one-	Repair non-structural cracks in excess of one-eighth inch by surface patching. These
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Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
sion or control joints.	eighth inch in width or greater are considered excessive.	repairs should be made toward the end of the first year of ownership to permit normal stabilizing of the home by settling.
2. Cracking of basement floor.	Minor cracks in concrete basement floors are common. Cracks exceeding one quarter inch width or one quarter inch in vertical displacement is a deficiency.	Repair cracks exceeding maximum tolerance by surface patching or other methods, as required.
3. Cracking of attached garage floor slab.	Cracks in a garage floor slabs in excess of one quarter inch in width or one quarter inch in vertical displacement is a deficiency.	Repair excessive cracks by chipping out and surface patching or other methods, as may be required.
4. Cracks in attached patio slab.	Cracks in excess of one quarter inch in width or one quarter inch in vertical displacement are defects. An "attached patio" is defined as a concrete patio slab on grade which is an integral part of the home being structurally supported by footings, block walls, or reinforced concrete and connected to the foundation. Patio slabs which are poured separately, and abut the house are excluded from warranty coverage.	The Builder/Warrantor shall make repairs as required. Where cracks are caused by settlement or improper installation, Builder/Warrantor shall replace that portion which has settled and finish as close as possible to match the existing surface. Where a major portion of the patio has cracked, the entire slab shall be replaced.
5. Cracks in concrete slab-on grade floors, with finish flooring.	Cracks which rupture or significantly impair the appearance or performance of the finish flooring material, is a deficiency.	Determine the cause for the cracking, and correct (remove and replace if required). Repair cracks as required, so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring.
6. Uneven concrete floor slabs.	Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or area of unevenness exceeding 1/4 inch in 32 inches, or slopes in excess of 1/240 of room width or length (i.e.: 10.0 wide room-not to exceed 1/2 inch out of level).	Determine cause and repair/replace to meet the Standard. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
7. Pitting, scaling or spalling of concrete work.	Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.	Take whatever corrective action is necessary to repair or replace defective concrete surfaces. Deterioration caused by salt, chemicals, implements used and other factors beyond Builder/Warrantor control are excluded from the Warranty.
8. Excessive powdering or chalking of concrete surfaces.	Excessive powdering or chalking of concrete surfaces is a deficiency, but should not be confused with normal surface dust that may accumulate for a short period after the home is occupied.	Take whatever corrective action is necessary to treat, repair or resurface defective areas.
9. Separation of brick or masonry edging from concrete slab and step.	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of one quarter inch is a deficiency.	Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as close as possible

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
10. Separation or movement of concrete slabs within the structure at construction and control joints.	None. Concrete slabs within the structure are designed to move at construction and control joints and is not a deficiency.	None. Homeowner responsibility: Maintenance of joint material.

(c) MASONRY

1. Unit masonry (brick, block and stone): Cracks in non-bearing or non-supporting walls.	Small shrinkage cracks are not unusual running through masonry and mortar joints. Cracks in excess of one-eighth inch in width is a deficiency.	Repair non-structural shrinkage cracks in excess of 1/8 inch by pointing or patching. Repairs shall be made near the end of the first year warranty period.
2. Cracks in bearing or supporting masonry walls.	Vertical or diagonal cracks which do not affect the structural ability of masonry bearing walls, are not unusual. Cracks in excess of one-eighth in width are a deficiency.	Repair shrinkage cracks in excess of 1/8 inch by pointing or patching. Where the structural integrity of the wall is affected, suitable repair or replacement shall be done to eliminate the condition.
3. Horizontal cracks in basement and foundation walls.	Horizontal cracks in the joints of masonry walls are not common but may occur. Cracks one-eighth inch or more in width are deficiencies.	The Builder/Warrantor shall repair cracks between one eighth and three sixteenths inch in width by pointing and patching. Cracks exceeding three sixteenths inch shall be investigated by the Builder to determine the cause. Builder shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.
4. Cracks in masonry walls or veneer above grade.	Small cracks are common in mortar joints of masonry construction. Cracks one eighth inch or greater in width are deficiencies.	Repair cracks and voids in excess of one eighth inch by surface pointing. These repairs should be made toward the end of the first year warranty period to permit the home to stabilize and normal settlement to occur. Builder/Warrantor is not responsible for color variations between existing and new mortar. However, it shall be made to match as close as possible.
5. Cracking, settling, or heaving of stoops and steps.	Stoops and steps are not to settle or heave in excess of one inch in relation to the house structure. Cracks, except hairline cracks less than one eighth inch, are not acceptable in concrete stoops. A separation of up to one half inch is permitted where the stoop or steps abut the house or where an expansion strip has been installed.	Take whatever corrective action is required to meet acceptable standards. In a case where repair is made to the concrete surface, it is required that such repair match the adjoining surfaces as closely as possible or the entire area be resurfaced or replaced.
6. Standing water on stoops, steps, porches and attached concrete patios.	Standing water is a deficiency if it is a hazard to individuals and/or causes damage to the home, or in cases where standing water exists due to settlement or heaving as defined under paragraph above.	Take whatever corrective action is necessary to eliminate standing water.
7. Cracking or spalling of stucco and cement plaster.	Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back-up. Cracks greater than one eighth inch in width or spalling of the finish surface is a deficiency.	Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible. Builder not responsible for failure to match color or texture, due to nature of the material.

Possible Deficiency

Performance Standard

Builder/Warrantor Responsibility

(d) CARPENTRY (ROUGH-IN)

1. Floors squeak, due to improper installation or loose subfloors.

A large area of floor squeak which is noticeable, loud and objectionable is a defect. Squeak proof floor cannot be guaranteed, an isolated floor squeak is not a defect.

Correct the problem if caused by faulty construction within reasonable repair capability. Where a finished ceiling exists under the floor, the corrective work may be attempted from the floor side. Where necessary, remove the finish floor material to make the repair and reinstall or replace if damaged.

2. Uneven wood framed floors.

Floors which are more than one quarter inch out of level within any 32 inch measurement is a deficiency. Floor slope within any room which exceeds one-two hundred fortieths of the room width or length is a deficiency (that is, 10'-0" wide room-not to exceed one-half inch out of level.)

Correct or repair to meet the allowances at the above standard.

3. Bowed stud walls or ceilings.

All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Bowing should not be visible so as to detract from the finished surface. Walls or ceilings should not bow more than one quarter inch within a 32 inch horizontal or vertical measurement.

Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the standard.

4. Wood frame walls out of plumb.

Wood frame walls which are out of plumb more than three quarters inch in an eight foot vertical measurement is a deficiency.

Make necessary repairs to meet the allowance standard.

5. Warping, checking or splitting of wood framing.

Minor warping, checking or splitting of wood framing is common as the wood dries out, and is not considered a deficiency.

Where a problem exists and the surface material is affected, builder shall repair, replace or stiffen the frame member as required.

6. Exterior sheathing and subflooring which delaminates or swells.

Sheathing and subflooring when properly installed for its intended use and delaminates or swells on the side a finish material has been applied is a deficiency.

The Builder/Warrantor shall repair or replace subflooring or sheathing as required. Replacement of the finish materials when necessary shall be done to match the existing as closely as possible.

(e) CARPENTRY (FINISH)

1. Unsatisfactory quality of finished exterior trim and workmanship.

Joints between exterior trim elements, and siding or masonry which are in excess of three-eighths inch is a deficiency. In all cases, the exterior trim abutting masonry and siding shall be capable of performing its function to exclude the elements.

Repair open joints and touch up finish coating where required to match existing as close as possible. Caulk open joints between dissimilar materials.

2. Unsatisfactory quality of finished interior trim and workmanship.

Joints between moldings and adjacent surfaces which exceed 1/8 inch in width is a defect.

Repair defective joints and touch up finish coating where required to match as close as possible.

3. Surface defects in finished woodwork and millwork such as checks, splits, and hammer marks.

Finished woodwork and millwork is to be smooth and without surface marks. Finished surfaces which fall beyond the limits

Correct repairable defects; sanding, filling, or puttying is acceptable to return the surface to its original condition. Replace

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
	of the Quality Standards of the Architectural Woodwork Institute is a deficiency.	material not repairable, refinish and restore to match surrounding surfaces as closely as possible.
4. Exposed nail heads in woodwork.	Material used to fill nail holes has a tendency to shrink and dry up after a period of time and is not considered a deficiency. Nail holes which have not been filled on finished painted wood work is a deficiency.	Fill nail holes where required and if necessary, touch up paint to match as close as possible. Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product.

(f) THERMAL AND MOISTURE PROTECTION

1. Waterproofing: Leaks in basement or in foundation/crawlspace.	Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies. Leaks caused by landscaping improperly installed by owner, or failure by owner to maintain proper grades are excluded from the warranty. Dampness in basement and foundation walls or in concrete basement and crawlspace floors is often common to new construction and is not a deficiency.	Take such action as is necessary to correct basement and crawlspace leaks, except where the cause is determined to be the result of owner negligence. Where a sump pit has been installed by the Builder/Warrantor in the affected area but the sump pump was not contracted for or installed by the Builder/Warrantor, no action is required until a properly sized pump is installed by the owner in an attempt to correct the condition. Should the condition continue to exist, then the Builder/Warrantor shall take necessary action to correct the problem.
2. Insulation: Insufficient insulation.	Insulation which is not installed around all habitable areas in accordance with established codes is a deficiency.	The Builder/Warrantor shall install insulation of sufficient thickness and characteristics to meet the codes. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by the homeowner if it is found that the standard has been met by the builder.
3. Louvers and vents: Insufficient attic and crawlspace ventilation.	Attics and crawlspaces which are not properly vented causing moisture to accumulate resulting in damage to supporting members or insulation is a deficiency.	The Builder/Warrantor shall install properly sized louvers or vents to correct deficiency.
4. Leaks due to snow or driven rain through louvers and vents.	Improperly installed louvers and vents that permit penetration of the elements under normal conditions is a deficiency. Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and is not a deficiency.	Take necessary steps to eliminate penetration of rain or snow under normal conditions if it is determined the installation was improper.
5. Exterior siding: Delamination, splitting, joint separation or deterioration of exterior siding.	Exterior siding with joint separations or which delaminates, splits or deteriorates is a deficiency.	Repair/replace only the damages siding. Siding to match the original as close as possible, however, the owner shall be aware that the new finish may not exactly match the original surface texture or color.
6. Damages siding or broken shingles.	Damaged siding or broken shingles is a deficiency if documented on a pre-closing	The Builder/Warrantor shall replace or repair damaged siding if noted on a pre-

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
	walk through inspection form. If no walk through report exists the deficiency shall be reported in writing within 30 days of occupancy.	closing walk through inspection form. If Builder/Warrantor does not perform a pre-closing walk through then the Builder/Warrantor will be responsible for the deficiency if reported by the owner.
7. Loose or fallen siding.	All siding which is not installed properly so as not to come loose or fall off is a deficiency.	Reinstall or replace siding and make it secure.
8. Roofing: Roof or flashing leaks.	Roof or flashing leaks that occur under normal weather conditions is a deficiency. Exclusion: Where cause is determined to result from severe weather conditions such as ice and snow build-up, high winds and driven rains.	Correct any roof or flashing leaks which are verified to have occurred under normal weather conditions.
9. Lifted, curled or torn roof shingles.	Roof shingles which lift or curl during the first year of warranty coverage or tear loose during normal weather conditions is a deficiency.	Repair or replace lifted, curled or torn shingles.
10. Standing water on built-up roofs.	A properly pitched built-up roof is to drain water except for minor ponding. Standing or ponding water is not considered a deficiency. Dead flat roofs will retain a certain amount of water. Excessive ponding of water which causes leaking of the built-up roof is a deficiency.	Repair all leaks due to or caused by standing water.
11. Sealants: Water or air Leaks in exterior walls due to inadequate caulking.	Joints and cracks in exterior wall surfaces and around openings which are not properly caulked to exclude the entry of water or excessive drafts is a deficiency.	Repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency one time during the first year of the warranty period. Owner responsibility: Maintain caulking once the condition is corrected.
12. Sheet metal: Gutters and downspouts leak.	Gutters and downspouts which leak is a deficiency. Gutters which are improperly pitched to drain water is a deficiency. Standing water in gutters is acceptable if it does not exceed one inch in depth.	Repair leaks and pitch gutters to drain properly to meet standard. Owner responsibility: Responsible to keep gutters and downspouts free from leaves and debris to prevent overflow.

(g) DOORS AND WINDOWS

1. Warpage of interior or exterior doors.	Interior and exterior doors that warp so as to prevent normal closing and fit is a deficiency. The maximum allowable warpage of an interior door is one-quarter inch when measured from top to bottom vertically or diagonally.	Repair or replace as may be required. New doors to be refinished to match the original as close as possible.
2. Door binds against jamb or head of door frame. Does not lock.	Passage doors that do not open and close freely without binding against the door frame is a deficiency. Lock bolt is to fit the keeper to maintain a closed position.	Adjust door and keeper to operate freely.

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
3. Door Panels shrink and expose bare wood.	None. Door panels will shrink due to the nature of the material, exposing bare wood at the edges and is not a deficiency.	None.
4. Door panels split.	Door panels that have split to allow light to be visible through the door is a deficiency.	If light is visible, fill crack and finish panel to match as close as possible. Correct one time during first year of warranty. If panel cannot be repaired to hide crack, the panel or the door itself shall be replaced and finished to match original.
5. Bottom of doors rub on carpet surface.	Where it is understood by Builder/Warrantor and Homeowner that carpet is planned to be installed as a floor finish, whether by the Builder/Warrantor or Homeowner, the bottom of the doors which rub or disturb the carpet is a deficiency. Where carpet is selected by the Homeowner having excessive high pile, the Homeowner is responsible for any additional door undercutting.	Undercut doors as required.
6. Excessive opening at the bottom of interior doors.	Passage doors from room to room that have an opening between the bottom of the door and the floor finish material in excess of one and one-half inches is a deficiency. Closet doors having an opening in excess of two inches is a deficiency.	Make necessary adjustment or replace door to meet the required tolerance.
7. Garage doors (attached garage): Garage doors fail to operate or fit properly.	Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances is a deficiency. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.	Make necessary adjustments to meet the manufacturer's installation tolerances. No adjustment is required when cause is determined to result from the owner's installation of an electric door opener.
8. Malfunctions of wood, plastic and metal windows:	Windows which do not operate in conformance with manufacturer's design standards is a deficiency.	Consult with manufacturer when necessary and make necessary adjustments for windows to operate and meet the Standard.
9. Double hung windows do not stay in place when open.	Double hung windows are permitted to move within a two inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.	Adjust sash balances one time only during the first year warranty period. Instruct the owner on the method of adjustment for future repair.
10. Condensation or frost on window frames and glass.	None. Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the home.	None.
11. Hardware does not work properly, fails to lock or perform its intended purpose.	All hardware installed on doors and windows which does not operate properly is a deficiency.	The Builder/Warrantor shall adjust, repair or replace hardware as required.
12. Storm doors and windows do not operate or fit properly.	Storm doors and windows when installed and do not operate or fit properly to provide	The Builder/Warrantor shall make necessary adjustments for proper fit and opera-

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
13. Screen panels do not fit properly. Screen mesh is torn or damaged.	the protection for which they are intended is considered a deficiency. Rips or gouges in the screen mesh reported on a pre-closing walk through inspection report or openings between the screen panel and frame are deficiencies. The owner shall be responsible to notify Builder/Warrantor within 30 days from the warranty date or the date on which the screens are furnished if there was no pre-closing walk through inspection.	tion. Replace when adjustment can not be made. The Builder/Warrantor shall repair or replace rips and gouges in the screen mesh if reported on the pre-closing walk through inspection. The screen panels shall be adjusted to fit properly in frame one time only during the first year of warranty. If there is no pre-closing walk through inspection the Builder/Warrantor is responsible to repair deficiency when reported by owner.
14. Weatherstripping and seals: Drafts around doors and windows.	Weatherstripping is required on all doors leading directly to the outside from a habitable area. Some infiltration is normally noticeable around doors and windows, especially during high winds. Excessive infiltration resulting from opening in poorly fitted doors or windows, or poorly fitted weatherstripping is a deficiency.	The Builder/Warrantor shall adjust or correct poorly fitted windows or doors, or poorly fitted weatherstripping.
15. Broken glass.	Broken glass is a deficiency if it is reported on a pre-closing walk through inspection report. Owner shall notify the Builder/Warrantor within 30 days from warranty date if no pre-closing walk through inspection report exists.	The Builder/Warrantor shall replace if reported on a pre-closing walk through inspection report. If no report exists, the Builder/Warrantor shall replace if deficiency is reported by owner.
16. Clouding and condensation on inside surfaces of insulated glass.	Insulated glass which clouds up or has condensation on the inside surfaces of the glass is a deficiency.	The Builder/Warrantor shall replace glass in accordance with window and glass manufacturer's requirements.

(h) FINISHES

1. Cracks in plaster wall and ceiling surfaces.	Noticeable cracks in plaster wall and ceiling surfaces is a deficiency.	The Builder/Warrantor shall repair cracks and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of the first year warranty date to allow for normal movement in the home.
2. Gypsum wallboard: Defects caused by poor workmanship such as cracks over door and window frames, over archways, blisters in tape, excess compound in joints, exposed corner beads, nail pops, or trowel marks.	Slight defects such as occasional nail pops, seam lines and cracks are common gypsum wallboard installations. Blisters in tape, cracks over door and window frames and over archways, excess compound in joints, trowel marks, nail popping and exposed corner beads are deficiencies. Nail pops are a defect only when there are signs of spackle compound cracking or falling away. Depressions or slight mounds at nail heads are not considered deficiencies.	The Builder/Warrantor shall correct such defects to acceptable tolerance and repaint affected areas one time only to match as close as possible. Where excessive repair has been made the entire area shall be painted. Such conditions shall be reported near the end of the first year warranty date to allow for normal settlement of the home.
3. Hard surface flooring (flagstone, marble, quarry tile, slate, ceramic tile, etc.) cracks or becomes loose.	Ceramic tile, flagstone or similar hard surfaced sanitary flooring which crack or become loose is a defect. Cracking and loosening of flooring caused by the Owner's negligence is not a deficiency. Subfloor	The Builder/Warrantor shall determine and correct the cause for the cracking or loosening of the finish material. Replace cracked material and reset loose flooring. The Builder/Warrantor is not responsible for

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Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
4. Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub or shower.	and wallboard are required to be structurally sound, rigid and suitable to receive finish. Cracks in grouting of ceramic tile joints are deficiencies. Regrouting of these cracks is a maintenance responsibility of the homeowner within the life of the home after the first year of warranty. Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub or shower basin, are considered Owner's maintenance and any resultant damage to other finish surfaces due to leaks, etc. are not considered a deficiency.	slight color and pattern variations or discontinued patterns of the manufacturer. It shall not be required to replace the entire finish when the new material consists of less than 25 percent of the finish area. The Builder/Warrantor shall repair grouting as necessary one time only within the first year of warranty.
5. Nail pops appear on the surface of resilient flooring.	Readily apparent nail pops are a deficiency.	The Builder/Warrantor shall correct nail pops that have caused damage to floor material and repair or replace damaged floor covering in the affected area. Builder/Warrantor is not responsible for discontinued patterns or color variations.
6. Depressions or ridges appear in the resilient flooring due to subfloor irregularities.	Readily apparent depressions or ridges exceeding one eighth inch is a deficiency. The ridge or depression measurement is taken as the gap created at one end of a six-inch straight edge placed over the depression or ridge with three inches on one side of the defect held tightly to the floor.	The Builder/Warrantor shall take required corrective action to bring deficiency within acceptable tolerances so as to be not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering, owner neglect or abuse, nor installations performed by others.
7. Resilient flooring or base loses adhesion.	Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.	The Builder/Warrantor shall repair or replace resilient flooring or base as required. Builder is not responsible for discontinued patterns or color variation.
8. Seams or shrinkage gaps show at resilient flooring joints.	Gaps in excess of one-eighth inch in width in resilient floor covering joints is a deficiency. Where dissimilar materials abut, a gap in excess of three-sixteenths inch is a deficiency.	Builder/Warrantor shall take required action to correct the cause of the deficiency. The Builder/Warrantor is not responsible for discontinued patterns or color variations of floor covering.
9. Plywood wall covering: Variations in paneling color; scratches or checks on the finished surface.	Plywood paneling pattern and color will often vary and this is not a deficiency. Scratches on the paneling surface are deficiencies if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days of warranty date if no pre-closing walk through inspection report exists.	The Builder/Warrantor shall repair or replace damaged paneling when the deficiency has been reported on the pre-closing walk through inspection report. Builder is not responsible for discontinued panel or color variations. If damaged paneling cannot be replaced with new paneling to owner's satisfaction, the deficiency may be repaired within reasonable standard of good materials and workmanship.
10. Finished wood flooring: Dents, chips, knotpops, open joints or cracks in wood flooring.	Dents and chips are deficiencies if reported on a pre-closing walk through inspection report. The owner shall report such defi-	The Builder/Warrantor shall determine the cause for deficiencies and correct. Dents and chips are to be corrected if reported on

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
	<p>iciencies to Builder/Warrantor within 30 days of the warranty date if there was no pre-closing walk through inspection. Dents, chips, knotpops, open joints or cracks in floorboards of finished wood flooring which exceed the manufacturer's quality standards of the wood flooring grade are considered deficiencies. Manufacturer's grade quality standards shall be as defined by: Wood and Synthetic Flooring Institute, National Oak Flooring Association, Maple Flooring Manufacturer's Association.</p>	<p>a pre-closing walk through inspection report. If the inspection was not conducted, then the Builder/Warrantor shall correct if notified by the owner. For repairable deficiency, repair cracks, chips or dents by filling and refinishing to match the wood surface as close as possible. For non-repairable deficiencies replace and finish affected area to match remaining flooring as closely as possible.</p>
<p>11. Painting: Knot and wood stains appear through paint on exterior.</p>	<p>Excessive knot and wood stains which bleed through the paint are considered deficiencies.</p>	<p>The Builder/Warrantor shall seal affected areas where excessive bleeding of knots and stains appear and touch up paint to match.</p>
<p>12. Exterior paint or stain peels, deteriorates or fades.</p>	<p>Exterior paints or stains the peel or deteriorate during the first year of ownership is a deficiency. Fading, however, is normal and subject to the orientation of painted surfaces to the climatic conditions which may prevail in the area. Fading is not a deficiency.</p>	<p>Builder/Warrantor shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period.</p>
<p>13. Painting required as corollary repair because of other work.</p>	<p>Necessary repair of a painted surface required under this warranty is to be refinished to match surrounding areas as closely as possible.</p>	<p>The Builder/Warrantor shall refinish repaired areas to meet the standard as required.</p>
<p>14. Mildew or fungus forms on painted or factory finished surfaces.</p>	<p>None. Mildew or fungus that forms on a painted or factory finished surface when the structure is subject to various exposures (that is, ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency.</p>	<p>None.</p>
<p>15. Deterioration of varnish or lacquer finishes.</p>	<p>Natural finishes on interior woodwork which deteriorate during the first year of ownership is a deficiency. Varnish-type finishes used on the exterior will deteriorate rapidly and are not covered by the warranty.</p>	<p>The Builder/Warrantor shall refinish affected areas of natural finished interior woodwork, matching the color as closely as possible.</p>
<p>16. Interior paint coverage.</p>	<p>Interior paint not applied in a manner sufficient to visually cover wall, ceiling and trim surfaces is a deficiency.</p>	<p>The Builder/Warrantor shall repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where a large area is affected the entire surface shall be repainted.</p>
<p>17. Paint splatters and smears on finish surfaces.</p>	<p>Paint stains on porous surface which are excessive that detract from the finish and which cannot be removed by normal cleaning methods and are reported on a pre-closing walk through inspection report are considered deficiencies. The owner shall notify the builder within 30 days of the</p>	<p>The Builder/Warrantor shall remove paint stains without affecting the finish of the material, or replace the damaged surface if stain cannot be removed if reported on a pre-closing walk through inspection report. If no such inspection was done, the Builder/Warrantor shall correct if notified by the owner.</p>

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
	warranty date if a pre-closing walk through inspection report was not completed. Minor paint splatter and smears on impervious surfaces which cannot be easily removed is considered as homeowner maintenance and not a deficiency.	
18. Peeling of wallcovering installed by builder.	Peeling of wallcovering is a deficiency, unless it is due to owner's abuse or negligence.	The Builder/Warrantor shall repair or replace defective wallcovering.
19. Mismatching in wallcovering pattern.	Mismatched wall covering pattern over a large area that severely detracts from its intended purpose due to poor workmanship is a deficiency.	The Builder/Warrantor shall remove mismatched wall covering and replace. Builder/Warrantor is not responsible for discontinued patterns or variations in color.
20. Lumps and ridges and nail pops in wallboard which appear after owner has wallcovering installed by others.	None. Owner shall insure that the surface to receive wallcovering is suitable and assumes full responsibility should lumps, ridges and nail pops occur at a later date.	None.
21. Seams in carpet.	Seams in carpeting that separate due to improper installation is a deficiency. Carpeting material is not covered under the warranty.	The Builder/Warrantor shall correct to eliminate the separation.
22. Carpeting comes loose or excessive stretching occurs.	Wall to wall carpeting that comes loose is a deficiency. Stretching that may occur in the carpeting is subject to the quality and surface over which it is laid and is not a deficiency.	The Builder/Warrantor shall resecure loose carpeting one time during the first year of warranty coverage.
23. Spots on carpet, minor fading.	Spots or stains on the carpeting is a deficiency if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days from the warranty date if no pre-closing walk through inspection report exists. Fading is not a deficiency; and builder has no responsibility.	The Builder/Warrantor shall remove spots and stains on a one time basis if reported on a pre-closing walk through inspection report. Replace when excessive spots and stains cannot be removed. If no pre-closing inspection report exists, the Builder/Warrantor shall correct when notified by owner.

(i) SPECIALTIES

1. Fireplaces: Fireplace or chimney does not draw properly causing smoke to enter the house.

A properly designed and constructed fireplace or chimney is to function as intended. It is normal to expect that high winds can cause temporary negative draft situations. Similarly, negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. In addition, the geographic location of the fireplace or its relationship to adjoining walls and roof may be the cause of negative draft conditions. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary the owner substantiate the problem to the Builder/Warrantor by construct-

When determined the malfunction is based upon improper construction of the fireplace then take the necessary steps to correct the problem. Where it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond the builder's control, builder is not responsible.

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
2. Chimney separation from structure to which it is attached.	ing a fire so the condition can be observed. Newly built fireplaces will often incur slight amounts of separation. Separation which exceeds one-half inch from the main structure in any 10 foot vertical measurement is a deficiency.	The Builder/Warrantor shall determine the cause of separation and correct. Caulking or grouting is acceptable up to one half inch displacement.
3. Built-in sauna and steam bath units: Refer to the pertinent section of these Standards for deficiencies that may exist in construction, materials, finish and equipment of a steam bath or sauna unit constructed on-site.	Built-in equipment such as sauna and steam bath units are to be constructed and must operate properly under the same applicable standard for finishes and mechanical and electrical equipment involved. Any deficiencies in finish materials or equipment referred to in these standards are considered deficiencies.	The Builder/Warrantor shall make all necessary repairs or replacements including equipment covered under a manufacturer's warranty.

(j) KITCHEN CABINETS & VANITIES

1. Kitchen or vanity cabinet doors and drawers malfunction.	Cabinet doors, drawers and other operating parts that do not function as designed are deficiencies if they are reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days of the warranty date if a pre-closing walk through inspection was not conducted	The Builder/Warrantor shall repair or replace operating parts if a pre-closing report exists. If no report exists, the Builder/Warrantor shall correct if notified by the owner.
2. Surface cracks, delaminations and chips in high pressure laminates of vanity and kitchen cabinet countertops.	Countertops fabricated with high pressure laminated coverings that delaminate, have chips, scratches, or surface cracks or joints between sheets exceed one sixteenth inch are considered deficiencies if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days at the warranty date if a pre-closing walk through inspection report does not exist.	The Builder/Warrantor shall repair or replace laminated surface covering having chips, cracks, scratches or joints exceeding the allowable width if reported on a pre-closing inspection report. If a pre-closing inspection report was not performed, the Builder/Warrantor shall correct when notified by the owner.
3. Warpage of kitchen and vanity cabinet doors and drawer fronts.	Warpage that exceeds one quarter inch as measured from the face of the cabinet frame to the further most point of warpage on the drawer or door front in a closed position is a deficiency.	The Builder/Warrantor shall correct or replace door or drawer front as required.
4. Gaps between cabinets, ceiling and walls.	Counter top, splash, base and wall cabinets are to be securely mounted. Gaps in excess of one quarter inch between wall and ceiling surfaces is a deficiency.	The Builder/Warrantor shall make necessary adjustment of cabinets and top or close gap by means of moulding suitable to match the cabinet or counter top finish; or other acceptable means.

(k) MECHANICAL SYSTEMS

KHOV035950

1. Plumbing: Plumbing pipes freeze.	Drain, waste and water pipes are to be adequately protected to prevent freezing during normally anticipated cold weather. Freezing of pipes is a deficiency and covered only during the first year of the warranty.	The Builder/Warrantor shall correct the condition responsible for pipes freezing, and repair piping damaged by freezing. The owner is responsible to maintain suitable temperatures in the home to prevent pipes from freezing. Homes which are
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Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
2. Faucet or valve leak.	A valve or faucet leak due to material or workmanship is a deficiency. Leakage caused by worn or defective washers or seal are a homeowner maintenance item.	periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure a reasonable temperature is maintained. Leaks occurring due to owner's neglect and resultant damage are not the builder's responsibility. The Builder/Warrantor shall repair or replace the leaking faucet or valve.
3. Defective plumbing fixtures, appliances or trim fittings.	Fixtures, appliances or fittings are to be judged according to the manufacturer's standards as to use and operation.	The Builder/Warrantor shall replace or repair any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
4. Chipped or damaged plumbing fixtures and appliances.	Chips, cracks, or other such damage to plumbing fixtures and appliances are deficiencies if they are included in a pre-closing walk through inspection report. The owner shall notify Builder/Warrantor within 30 days of warranty date if no pre-closing walk through inspection was performed.	The Builder/Warrantor shall repair any chips or cracks if included in the pre-closing inspection report. If repair cannot be made, the fixture or appliance is to be replaced to match the original. If a pre-closing inspection was not performed, the Builder/Warrantor shall correct if notified by owner. Where a fixture is built into surrounding wall areas such as a tub or shower basin which requires repair, replacement is not covered under the warranty except where the deficiency causes the fixture to be unusable.
5. Staining of plumbing fixtures due to high iron content in water.	High iron content in the water supply system will cause staining of plumbing fixtures.	None. Maintenance and treatment of the water is the homeowner's responsibility.
6. Drinking water supply is not potable.	All water must be free from contamination that would affect its potability. Potable water is defined as water fit for human consumption. In many cases, well water tests will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards, however, it still may be considered potable. In order to make this determination, the owner must provide written documentation from an independent testing laboratory or a board of health providing such service stating that the water is unfit for human consumption. Water test reports furnished by a commercial water treatment company cannot be used to make such a determination. Water is considered potable when a certificate of compliance is issued by the local/county board of health. Any recommendation for treatment of the water by the local/county board of health is contractual between owner and builder and cannot be considered a deficiency.	The Builder/Warrantor shall supply potable drinking water. Water which becomes non-potable after certification by a source beyond the control of the builder shall be excluded from coverage.

KHOV035951

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
7. Water supply system fails to deliver water; or pressure is low. Low water pressure is defined as follows: Use of the cold water supply at any one single fixture drastically reduces the cold water supply at any one other single fixture.	All service connections to municipal water main or private water supply are the Builder/Warrantor's responsibility when installed by him.	The Builder/Warrantor shall repair as required, if failure to supply water is the result of deficiency in workmanship or materials. If conditions exist which disrupt or eliminate the sources of water supply that are beyond his control, then the builder is not responsible.
8. Noisy water pipes.	Some noise can be expected from the water pipe system, due to the flow of water. Water hammer in the supply system is a deficiency and is covered only during the first year of the warranty. Noises due to water flow and pipe expansion are not considered deficiencies.	The Builder/Warrantor shall correct to eliminate "water hammer".
9. Inadequate heat.	A heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor, under local outdoor winter design conditions as specified in the latest edition of the New Jersey U.C.C. Energy Subcode and ASHRAE Handbook in effect at the time the home was constructed. The outdoor design temperature established by ASHRAE varies geographically throughout the State of New Jersey. There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in the home. Orientation of the home and location of rooms will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels.	The Builder/Warrantor shall correct heating system as required to provide the required temperatures. Balance dampers, registers and make minor adjustments one time only, during the first year of the warranty.
10. Inadequate cooling.	Where air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78 degrees Fahrenheit as measured in the center of each room at height of five feet above the floor, under local outdoor summer design conditions as specified in the latest edition of the New Jersey U.C.C. Energy Subcode and ASHRAE Handbook in effect at the time the home was constructed. The cooling cycle outdoor design temperature established by ASHRAE provides for a maximum of 12 degree temperature differential between the outdoor and the indoor temperature. There may be periods when the outdoor rises above the design temperature, thereby raising the temperature in the home. Orientation of the home and location of rooms will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more floor levels.	Builder/Warrantor shall correct cooling system to meet the above temperature requirements during the first year of the warranty.

Possible Deficiency	Performance Standard	Builder/Warrantor Responsibility
11. Ductwork and heating piping not insulated in uninsulated areas.	Ductwork and heating pipes that are run in uninsulated crawlspaces, garages or attics are to be insulated. Basements are not "uninsulated areas", and no insulation is required.	The Builder/Warrantor shall install required insulation.
12. Condensate lines clog-up.	Condensate lines will clog under normal conditions.	The Builder/Warrantor shall provide clean and unobstructed lines on warranty date. Continued operation of drain line is homeowner maintenance item.
13. Improper mechanical operation of evaporative cooling system.	Equipment that does not function properly at temperature standard set is a deficiency.	The Builder/Warrantor shall correct and adjust so that blower and water system operate as designed.
14. Ductwork noisy.	Noise in ductwork may occur for a brief period when the heating or cooling begins to function and is not considered a deficiency. Continued noise in the ductwork during its normal operation is a deficiency.	The Builder/Warrantor shall take necessary steps to eliminate noise in the ductwork.
15. Ductwork separates, becomes unattached.	Ductwork that is not intact or securely fastened is a deficiency.	The Builder/Warrantor shall reattach and resecure all separated or unattached ductwork.

(I) ELECTRICAL SYSTEMS

1. Electrical conductors: Failure of wiring to carry its designed circuit load to switches and receptacles.	Wiring that is not capable of carrying the designed load, for normal residential use to switches and receptacles and equipment is a deficiency.	The Builder/Warrantor shall check wiring and replace wiring if it fails to carry the design load.
2. Switches and receptacles: Fuses blow, or circuit breakers kick out.	Fuses and circuit breakers which deactivate under normal usage, when reset or replaced is a deficiency.	The Builder/Warrantor shall check wiring and replace wiring or breaker if it does not perform adequately or is defective.
3. Drafts from Electrical outlets.	The electrical junction box on exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new home construction.	None.
4. Malfunction of electrical outlets, switches or fixtures.	All switches, fixtures and outlets which do not operate as intended are considered deficiencies.	The Builder/Warrantor shall repair or replace defective switches, fixtures and outlets.
5. Service and distribution: Ground fault interrupter trips frequently.	Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault interrupters are required on outlets located in the kitchen, bath and powder rooms along with all exterior outlets. Ground fault outlets which do not operate as intended are considered deficiencies.	The Builder/Warrantor shall replace the device if defective.

5. STANDARDS APPLICABLE DURING YEARS 1 AND 2

1. Septic tank systems: Septic system fails to operate properly.	Septic system is to be capable of properly handling normal flow of household effluent. It is, however, possible that due to freezing, soil saturation, changes in the groundwater table or excessive use of plumbing or appliances, an overflow can occur. Periodic pumping of the septic tank is considered homeowner maintenance, and a normal need for pumping is not a deficiency.	The Builder/Warrantor shall take corrective action as required, if it is determined that malfunction is due to improper design or construction. Builder is not responsible for malfunctions which occur through owner negligence or abuse. Builder is also not responsible for malfunctions which occur due to acts of nature such as freezing and changes in the ground water table.
Exclusion: The following are considered owner negligence or abuse as an exclusion under the warranty:		
(A) Excessive use of water such as overuse of washing machine and dishwasher; including their simultaneous use.		
(B) Connection of sump pump, roof drains or backwash from water conditioner, to the system.		
(C) Placing of non-biodegradable items in the system.		
(D) Addition of any harsh chemicals, greases or cleaning agents; and excessive amounts of bleaches or drain cleaners.		
(E) Use of a food waste disposer not supplied by builder.		
(F) Placement of impervious surfaces over the disposal area.		
(G) Allowing vehicles to drive or park over the disposal area.		
(H) Failure to periodically pump out the septic tank, when required.		
2. Leakage from any piping.	Leaks in any sanitary soil, waste vent and water piping are deficiencies and are covered during the first and second year of the warranty. Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.	The Builder/Warrantor shall make necessary repairs to eliminate leakage.
3. Stopped up sanitary sewers, fixtures and sanitary drains are deficiencies.	Sanitary sewer, fixtures and sanitary drains should operate and drain properly and are covered during the first and second year of the warranty.	Where defective construction is shown to be the cause, the builder shall make necessary repairs. Sewers, fixtures, and drains which are clogged through the owner's negligence, the owner shall assume repair costs. Builder responsibility for defective sewer lines extends to the property line on which the home is constructed.
4. Refrigerant lines leak.	Refrigerant lines that develop leaks during normal operation are deficiencies during the first year and second year of the warranty.	The Builder/Warrantor shall repair leaking lines and recharge unit as required.

SECTION D: ADDENDUMS

D.1 HUD/VA ADDENDUM (Applicable to FHA Financed Homes Only): February 1, 1992

1. **SECTION A(1)(a): Year One Coverage.** The following language is added: Notwithstanding anything to the contrary herein contained, during the first year of coverage, the Builder will correct problems with, or restore the reliable function of, appliances and equipment damaged during installation or improperly installed by the Builder. In addition, the Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the Home to comply with standards of quality as measured by acceptable trade practices. "Construction Deficiencies" are defects (not of a structural nature) in the Home that are attributable to poor workmanship or to the use of inferior materials which result in the impaired functioning of the Home or some part thereof. Defects resulting from Purchaser abuse or from normal wear and tear are not considered Construction Deficiencies.

2. **SECTION A(4)(j):** The following language is substituted: Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD approved fee inspector (inspection costs to be paid by the builder or WPIC, as appropriate) unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Purchaser is represented by legal counsel.

3. **SECTION A(6)(c):** The following language is substituted: WPIC's liability in years 3 through 10 under this Agreement is subject to a deductible of \$250 per claim. In each instance, the deductible must be paid by you prior to the repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the deductible shall be \$250 per home affected by the common element defect, limited to a maximum of \$5,000.

4. **SECTION A(6)(j):** The following language is substituted: Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD approved fee inspector (inspection costs to be paid by the builder or WPIC, as appropriate) unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Purchaser is represented by legal counsel.

5. The following language is substituted: **SECTION B(1)(c): Effective Date.** The Effective Date will be the date on which closing or settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date be later than the date of FHA endorsement or the Purchaser's Mortgage on the Home.

6. **SECTION B(2)(h):** The following language is substituted: Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil (excluding flood and earthquake) which is covered by any other insurance or for which compensation is granted by state legislation.

7. The following language is added: **SECTION C(5)(67):**

Potential Problems	Comments	Builder's Obligation
Septic System fails	Freezing, soil saturation, underground springs, water run off, excessive use and increase in the water table are among the causes not covered by this limited warranty	Builder will repair or replace faulty workmanship and materials and conform with the Sewage Enforcement Officer's instructions as per design and installation only.

**New Jersey Addendum to Residential Warranty Corporation
Limited Warranty Insurance Program book #317 (rev 9/20/93)**

THIS ADDENDUM IS APPLICABLE ON HOMES WITH A WARRANTY EFFECTIVE DATE OF APRIL 20, 1994 OR LATER.

The following is added to A.4(j): When the Purchaser disputes the amount of a cash settlement offer for a covered defect, made by the Builder or WPIC, based upon an estimate obtained by the Builder or WPIC and refuted by an estimate obtained in writing by the Purchaser, the dispute will be submitted to Arbitration. The cost for this Arbitration will be borne by the Builder or WPIC as applicable.

The following is added to A.6(j): When the Purchaser disputes the amount of a cash settlement offer for a covered defect, made by the Builder or WPIC, based upon an estimate obtained by the Builder or WPIC and refuted by an estimate obtained in writing by the Purchaser; the dispute will be submitted to Arbitration. The cost for this Arbitration will be borne by the Builder or WPIC as applicable.

The following is added as A.7(f)(1): Proposed repairs prepared by the Builder or WPIC to satisfy an Arbitration Award will be presented to the Purchaser. When the Purchaser disagrees with the proposed repairs based upon competent analysis of the warranty standards by the Purchaser's engineer, architect, registered builder or contractor, the elements of disagreement will be submitted to Arbitration.

The following replaces A.4(c): If the Builder does not fulfill its obligation under this Agreement, WPIC will be responsible for the Builder's obligations.

The following replaces A.6(c): WPIC's liability in years 3 through 10 under this Agreement is subject to an aggregate deductible of \$250. In each instance, the deductible must be paid by you prior to repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the aggregate deductible shall be \$250 per unit affected by the common element defect.

KHOV035956

RESIDENTIAL WARRANTY CORPORATION

KH0V035957

THIS INDENTURE
(Site C and E)

Dated SEPTEMBER 30, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ELAINE INGRAM, UNMARRIED

the GRANTEE

about to reside at 110 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of NINETY SEVEN THOUSAND EIGHT HUNDRED AND SIXTY ONE AND 30/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

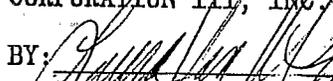
Being also known as Lot No. 22.11, in Block No. 406, on the tax map of the City of Newark.

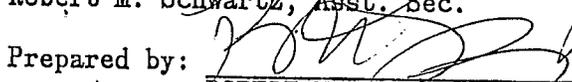
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV035960

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Robert M. ...
 11 Commerce ...
 Newark, NJ 07102
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	Gen. Liability Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill ...
 100 Eastern Community ...
 Newark, NJ 07103

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	0002900000	1/01/98	1/01/99	GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG. \$ PERSONAL & ADV. INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
	OTHER A First ... B ...	0002900000	1/01/98	1/01/99	\$1,475,000 ALLIANCE \$100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

ELAINE INGRAM, UNMARRIED
 110 CALLAHAN COURT, NEWARK, NJ 07103 (22F1) LOT: 22.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVMANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. C
 SUITE L CN3605
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/9/91.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

8/9/91

BUYER

Elaine M Ingram

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV035975

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Elaine M. Ingram

_____, BUYER

UNIT F1, BUILDING 32, PURCHASE AGREEMENT DATE 8/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Elaine M. Ingram 8/9/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035976

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GENEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
 Tel: Res: (201) 373-4179 IRVINGTON
 Bus: (212) 264-5480 NJ , 07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.11
 BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G)LOWER

The PURCHASE PRICE : \$ 96,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994
 ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994
 BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc

Elaine Ingram 8/6/94
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

[Signature] 8/12/94
 (SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV035977



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

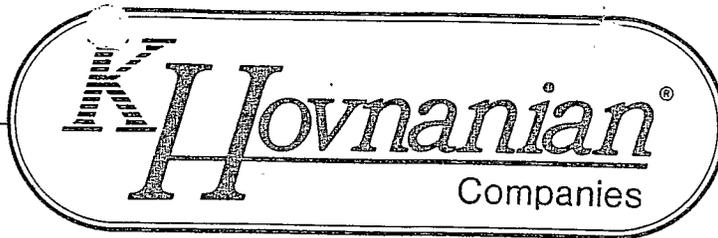
If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WATSON
Lot: 22.14 Block: 406
Address: 112 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$111,538.31

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

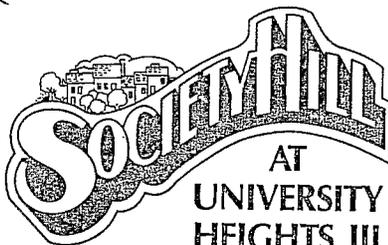
Please change your account records immediately to reflect the above.

Very truly yours,

Belita Watson
BELITA WATSON

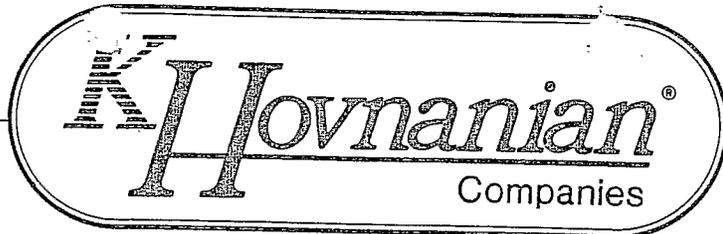
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035988



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
To: WATSON
Lot: 22.14 Block: 406
Address: 112 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

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The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Belita Watson
BELITA WATSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035989

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Belita Watson

_____, BUYER

UNIT G2, BUILDING 22, PURCHASE AGREEMENT DATE 08 Nov 1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Belita Watson 12/9/93
BUYER DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV036010

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 62

The Purchase Agreement between Belita Watson BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 08-NOV-1993.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 111,538.31
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 3346.15
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 108,192.16
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 111,538.31.

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/7/93
DATE

x Belita Watson
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036011

S U M M A R Y O F B A S I C P R O V I S I O N S

OK
ICL

The SELLER: K. HOVNANIAN ONEWORLD-URB RENOVATION CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): BELITA MARSON *(M)* of 95 SCHUYLER AVE.
 Tel: Res: (201) 923-2380 NEWARK
 Bus: (201) 268-3741 NJ , 07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III INC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.14
 BLDG NO.: 22 , UNIT NO: 62 , MODEL: STH130-U UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASIC PRICE of MODEL \$109,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	08-NOV-1993
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	08-NOV-1993
ADDITIONAL DEPOSIT	\$	2,298.50	BY DATE	08-DEC-1993
BALANCE at CLOSING	\$106,651.50	PAID by CERTIFIED CHECK		
Total PAYMENT		\$109,950.00		

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark -
 Urban Renewal Corporation III, Inc.

Wahy

12-23-93
 DATE

(SELLER)

Belita Marson 12/18/93
 (BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

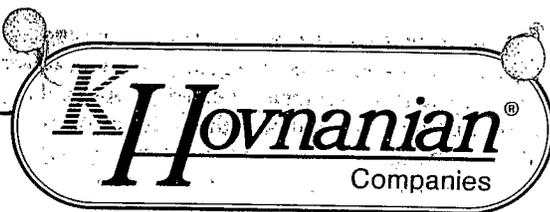
Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEDE AND TERMINATE THE PREVIOUS ONE FOR ~~NO~~ 822-02 DATED NOV-08-1993.

X BW

KHOV036019



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18 day of Dec, 1993.

Buyer: Belita Watson

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Belita Watson
BUYER

12/18/93
DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10. HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: Wayne Soojian 12-23-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV036023

777

K. BOVHMANIAN GEMARK-UBR RENEWAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E3C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: 62
MODEL : SWH1330-U >UP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	650500	ALMOND	ALMOND	340.00 <H
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 <H
AKS00	RANGE	STANDARD RANGE	JGRC150E	ALMOND	ALMOND	0.00 <H
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1743-1	ROSE POMPEII	0.00 <H
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	ANNIHILATOR	27	61.67 SY	3286 SHAKER RED	ECC0101A01
Zone: 02	1ST FLOOR STAIR/HALL CARPETING	ANNIHILATOR	27	85.67 SY	3286 SHAKER RED	ECC0102A01
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CANBRAY		17.67 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
KFS01	FLOORING PACKAGES	STANDARD LAYOUT				1248.31 <H
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <H
MS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <H
MS01	SLIDER DOORS	MSTR BR STD SLIDER	STD SLIDER	3'0"		0.00 <H
MS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <H
MS03	SLIDER DOORS	BR #3 STD SLIDER	STD SLIDER	4'0"		0.00 <H

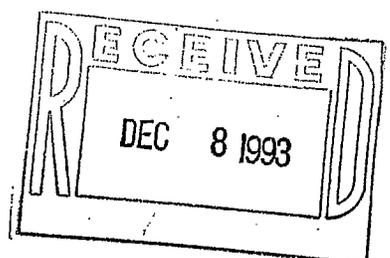
Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Walter Watson*
PURCHASER: *Walter Watson*
DATE: 12-7-93

SALES REP: *Jeffrey*
SALES MGR: *Alison Rapp* 12-8-93
CONST. MGR: 12-16-93

GRAND TOTAL	\$	1588.31
Incl. Mortg. Sel	\$	1588.31
AMOUNT DUE NOW	\$	47.65
AMOUNT PAID NOW	\$	47.65 "CK"
AMOUNT DUE AT CLOS	\$	1540.66

47.65
x BW



KHOV036024

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K. HOVHANIAN URBAN RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (M) of 95 SCHUYLER AVE.
 Tel: Res: (201) 923-2380 NEWARK
 Bus: (201) 368-3741 NJ 07112.

WALTER JR WATSON (M) of 5 JENNIFER LANE
 Tel: Res: (201) 761-1503 MAPLEWOOD
 Bus: (201) 753-6070 NJ 07040.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III INC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.14
 BLDG NO.: 22 , UNIT NO: 02 , MODEL: ETH1330-0 UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	08-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	08-NOV-1993
	ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	08-DEC-1993
	BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$109,950.00		

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovhanian at Newark -
 Urban Renewal Corporation III, Inc.

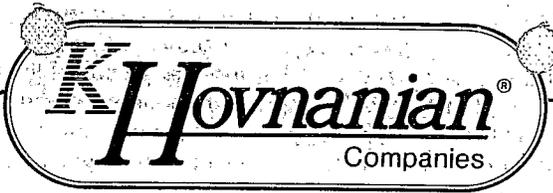
[Signature]
 (SELLER) 11.11.93 DATE

[Signature] 11/8/93 DATE
 (BUYER)
[Signature] 11-8-93 DATE
 (BUYER)
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarans, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KH0V036025



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"): The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5; downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 8 day of Nov, 1993.

Buyer: X Belita Watson

Joseph J. Hanley

Buyer: X Willis Watson

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Belita Watson 11/8/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X Willis Watson 11-8-93
BUYER DATE

BY: Wayne Soojian 11-11-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV036029

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND BELITA WATSON, UNMARRIED

the GRANTEE

about to reside at 112 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$111,538.31

ONE HUNDRED ELEVEN THOUSAND FIVE HUNDRED THIRTY EIGHT AND .31/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.14, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOGIAN,
Sales & Marketing Director

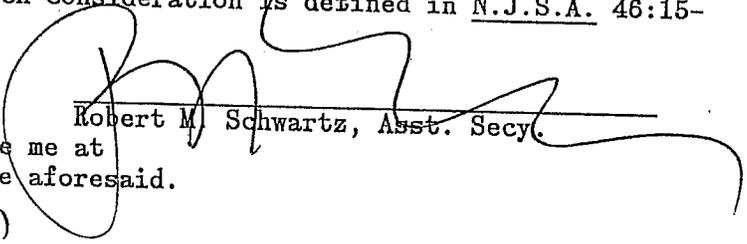
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

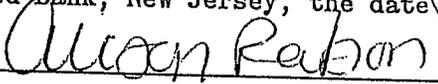
KHOV036034

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 111,538.31.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1998 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28 day of FEBRUARY 1994

GRANTEE BELITA WATSON

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28 day of FEBRUARY, 1994, before me, the subscriber BELITA WATSON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
BELITA WATSON

CHARGE, RECORD AND RETURN TO

MARK O. SEYMOUR, ESQUIRE
331 MAIN STREET
P.O. BOX 451
CHATHAM, N.J. 07928

KHOV036035

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Yecker Barvey & MacLean
21 Commerce Drive
Cranford, NJ 07016

508-272-6100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

300 Hill @ University Hts. III
701 Eastern Community Hqst
225 Highway 30
Red Bank
NJ 07701

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LGC: BELITA WATSON, UNMARRIED
112 CALLAHAN COURT, NEWARK, NJ 07103 (22G2) LOT: 22.14 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE _____ 010006000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
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AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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c/o Eastern Community Mgmt
225 Highway 35
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	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$

A ^{OTHER}	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
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AUTHORIZED REPRESENTATIVE

010056000

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02/28/94

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21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER B	
COMPANY LETTER C	
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INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
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A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-EACH EMPLOYEE \$
A	Bkt Bldg. & Cnts Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: BELITA WATSON, UNMARRIED
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EATONTOWN, NJ 07724

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SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-1-177 THE MINES PRESS, INC. 3430 W. 13TH AVENUE, DENVER, CO 80202 1-800-447-6788



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER				
	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
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OWNER: BELITA WATSON, UNMARRIED
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CERTIFICATE HOLDER

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THEIR SUCCESSORS AND/OR ASSIGNS,
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AUTHORIZED REPRESENTATIVE

010036000

REORDER ITEM NUMBER 492-1 FROM THE MINES BRANCH

THIS INDENTURE
(Site C and E)

Dated MAY 20, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WILLIAM T. CONYERS, JR., UNMARRIED

the GRANTEE

about to reside at 53B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$114,081.81
ONE HUNDRED FOURTEEN THOUSAND EIGHTY ONE AND .81/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.16, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

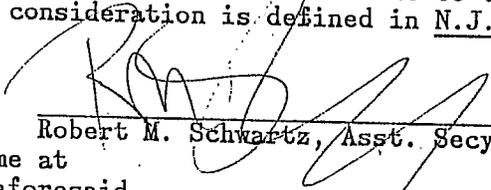
BY: 
LAURA VANVELTHOVEN,
Sales Manager

KHOV036060

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 20, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 114,081.81.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this ___ day of _____, 1994.

GRANTEE WILLIAM T. CONYERS, JR. GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 20 day of MAY, 1994, before me, the subscriber WILLIAM T. CONYERS, JR., personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
WILLIAM T. CONYERS, JR.

CHARGE, RECORD AND RETURN TO GEORGE CRETELLA, ESQUIRE
40 ROUTE 34, SUITE F
OLDBRIDGE, NJ 08857

KHOV036061

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

5/20/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				<table border="1"> <tr><td>STATUTORY LIMITS</td><td>\$</td></tr> <tr><td>EACH ACCIDENT</td><td>\$</td></tr> <tr><td>DISEASE-POLICY LIMIT</td><td>\$</td></tr> <tr><td>DISEASE-EACH EMPLOYEE</td><td>\$</td></tr> </table>	STATUTORY LIMITS	\$	EACH ACCIDENT	\$	DISEASE-POLICY LIMIT	\$	DISEASE-EACH EMPLOYEE	\$				
STATUTORY LIMITS	\$																
EACH ACCIDENT	\$																
DISEASE-POLICY LIMIT	\$																
DISEASE-EACH EMPLOYEE	\$																
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.												
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.												

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: WILLIAM T. CONYERS JR., UNMARRIED
53B WICKLIFFE STREET, NEWARK, NJ 07103 (22H2) LOT: 22.16 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

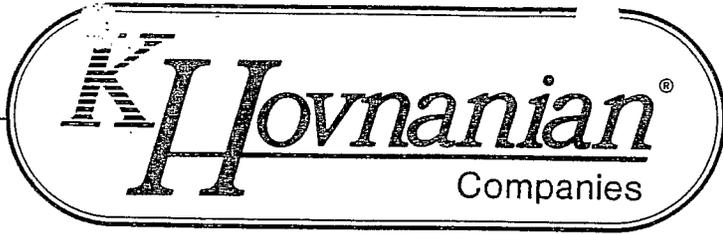
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVE

AUTHORIZED REPRESENTATIVE

[Signature]

0100361

REORDER ITEM NUMBER 492-414 THE MINES PRESS, INC., 342 W 14th ST., NEW YORK, N.Y. 10014 1-800-447-8788



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CONYERS, JR.
Lot: 22.16 Block: 406
Address: 53B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: May 20, 1994
Deed Amount: \$ 114,081.81
Certificate of
Occupancy date: 2/24/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

K. HOVNANIAN MTG.

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

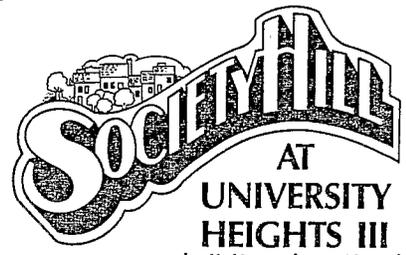
Please change your account records immediately to reflect the above.

Very truly yours,

William T. Conyers, Jr.
WILLIAM T. CONYERS, JR.

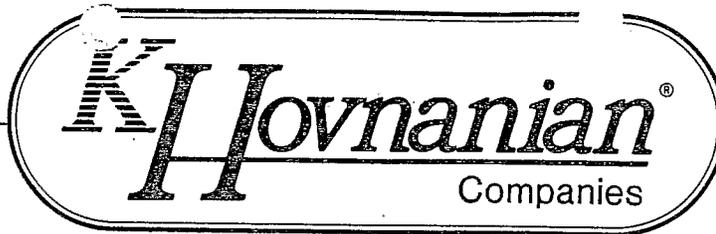
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036086



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CONYERS, JR.
Lot: 22.16 Block: 406
Address: 53B WICKLIFFE STREET
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: 5/20/94
Deed Amount: 114,081.81

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

K. HOVNANIAN MTS

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

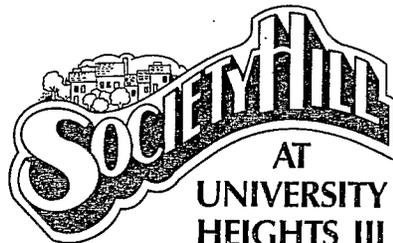
Please change your account records immediately to reflect the above.

Very truly yours,

William T. Conyers, Jr.
WILLIAM T. CONYERS, JR.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036087



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AILEY
Lot: 22.12 Block: 406
Address: 108 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$103,585.38

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

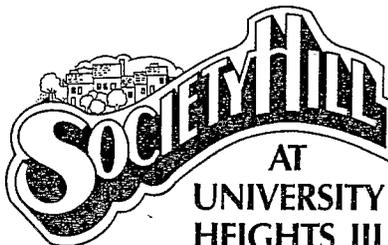
Very truly yours,

Claudette V. Ailey

CLAUDETTE V. AILEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036112



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AILEY
Lot: 22.12 Block: 406
Address: 108 CALLAHAN COURT
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$103,585.38

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Claudette V. Ailey

CLAUDETTE V. AILEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036113

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CLAUDETTE V. AILEY, MARRIED

the GRANTEE

about to reside at 108 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,993.70 ONE HUNDRED FOUR THOUSAND NINE HUNDRED NINETY THREE AND .70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.12, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY: Wayne J. Soojian

WAYNE J. SOOJIAN,
Sales & Marketing Director

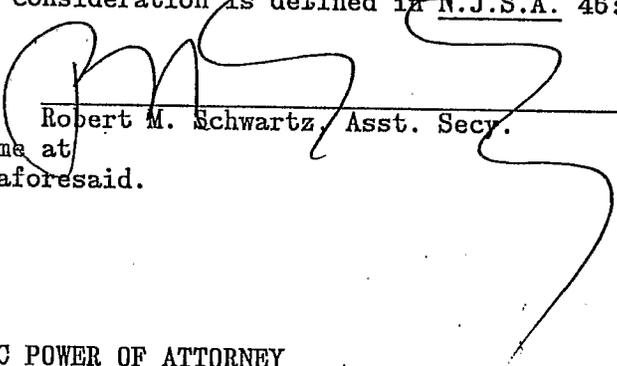
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

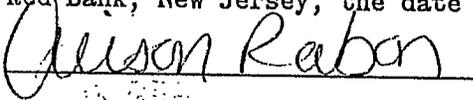
KHOV036138

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,993.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE CLAUDETTE V. AILEY GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber CLAUDETTE V. AILEY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
CLAUDETTE V. AILEY

CHARGE, RECORD AND RETURN TO BETTE R. GRAYSON, ESQUIRE
155 MORRIS AVENUE

P.O. BOX 75
SPRINGFIELD, NJ 07081

KHOV036139

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

903-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER A St. Paul Fire & Marine
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER D
- COMPANY LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A OTHER	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: CLAUDETTE V. AILEY, MARRIED
108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature] 010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED

Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A OTHER	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED
LOC: 108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

019036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	<input type="checkbox"/> ANY AUTO				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				
	<input type="checkbox"/> UMBRELLA FORM				EACH OCCURRENCE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				
					STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blkt. Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED

LOC: 108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt.
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
	Fidelity				BC02900238

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED
LOC: 108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KH0V036159

1-800-376-7888
 THE MINES PRESS, INC.
 W. 14th ST., NEW YORK, N.Y. 10014
 REORDER ITEM NUMBER 482-414

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 82

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,455.70

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,194.66

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,294.04

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/31/93
DATE

Claudette V. Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036175

DATE: 12/16/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
BUILDING: 22 UNIT: F2
PURCHASER: AILEY

<u>ITEM</u>	<u>AMOUNT</u>
CONTRACT PURCHASE PRICE:	<u>101,950.00</u>
DECORATOR SELECTION #:	<u>4,538.70</u>
WORK AUTHORIZATION #:	_____
WORK AUTHORIZATION #:	_____
CREDIT WORK AUTHORIZATION #:	_____

(LESS) NON REALTY ITEMS:

<u>Refrigerator</u>	<u>620.00</u>
<u>Icemaker</u>	<u>N/A</u>
<u>Washer</u>	<u>500.00</u>
<u>Dryer</u>	<u>375.00</u>
TOTAL NON REALTY ITEMS:	<u>\$1,495.00</u>

CONTRACT + DECORATOR SELECTIONS: \$106,488.70

LESS NON-REALTY ITEMS: \$ 1,495.00

TOTAL DEED AMOUNT: \$ 104,993.70

KHOV036176

ZZZ

K.HOVNANTIAN BENEWARK-URB RENEWAL CORP III

D.S.No : IW-22-P2

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: E2
MODEL : 5TH150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	650500	ALMOND	ALMOND	340.00 <M
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	IBX10B4S	ALMOND	ALMOND	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
ARS00	RANGE	STANDARD RANGE	J58C15SE	ALMOND	ALMOND	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WMAB620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDDG7600	WHITE	WHITE	375.00
02---CABINETS---						
KCH01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D30-6	NATURAL ALMOND	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	COLOSSAL	45	39.33 SY	6333 FAIRIE DUST	FCC0101A02
Zone: 02	1ST FLOOR STAIRS/WALL CARPETING	COLOSSAL	45	75.67 SY	6333 FAIRIE DUST	FCC0102A02
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64602	FLC0103A02
	Package includes UPGRADE Padding in carpeted areas					
XFS01	FLOORING PACKAGES	STD. LAYOUT				1748.70 <M
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
MBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
MBU00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 <M
MBU02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 <M

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Ailey*
PURCHASER :
DATE : *12/15/93*

SALES REP : *Jim Weems*
SALES MGR : *Clayton Rabon 12-6-93*
CONST. MGR : *[Signature] 12-7-93*

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70
AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 *CK*
AMOUNT DUE AT CLOS \$ 4402.54



KHOV036177

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12/3/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,136.16
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,352.54
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Claudette V Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOFIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036178



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of December, 1993.

Buyer: *Claudette V. Ailey*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Claudette V. Ailey 12/3/93
BUYER DATE

BUYER DATE

BY: *Wayne Soojian* 12.10.93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SHERVINGTON
Lot: 22.13 Block: 406
Address: 114 Callahan Court
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$104,866.16

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

[Handwritten signature]
Buyer

Buyer

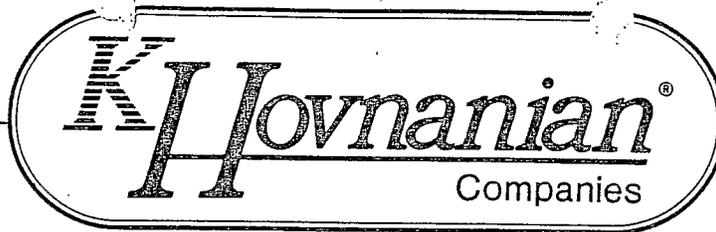
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

[Handwritten signature]
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036189



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
To: SHERVINGTON
Lot: 22.13 Block: 406
Address: 114 Callahan Court
Newark, NJ 07103

___ Tax Collector
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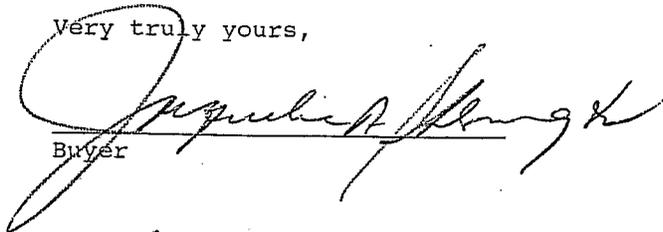
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

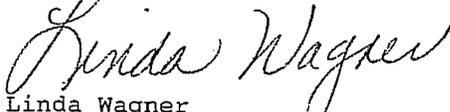
Please change your account records immediately to reflect the above.

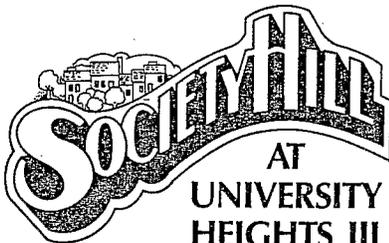
Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036190

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JACQUELINE A. SHERVINGTON, UNMARRIED

the GRANTEE

about to reside at 114 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,866.16

~~ONE HUNDRED FOUR THOUSAND EIGHT HUNDRED SIXTY SIX AND 16/100~~ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 45: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

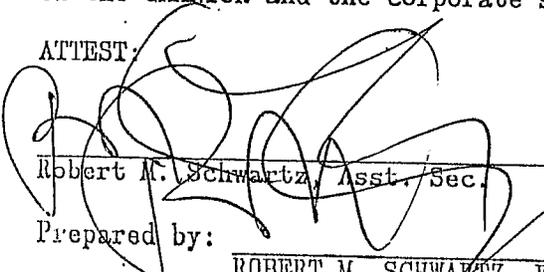
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. TRBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.13, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

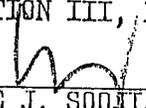

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

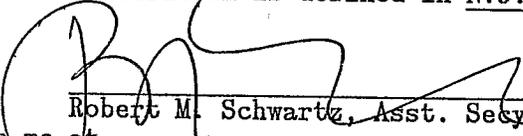
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

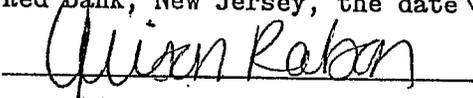
KHOV036213

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,866.16.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1986
SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE JACQUELINE A. SHERVINGTON GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber JACQUELINE A. SHERVINGTON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
JACQUELINE A. SHERVINGTON

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV036214

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBearn
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

AW 2/21/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
 LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406

KHOV036223

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010035000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER <input checked="" type="checkbox"/> Blanket Building Contents <input checked="" type="checkbox"/> Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. 100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 3000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				
A	OTHER Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
					A

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
 LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jacqueline A. Shervington

_____, BUYER

UNIT G1, BUILDING 22, PURCHASE AGREEMENT DATE 02-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jacqueline A. Shervington 11/4/93
BUYER _____ DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

X
BUYER _____ DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne
WAYNE SOOJIAN

KHOV036247

DATE: 11/29/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: G1

PURCHASER: SHERVINGTON

<u>ITEM</u>	<u>AMOUNT</u>
CONTRACT PURCHASE PRICE:	<u>103,950.00</u>
DECORATOR SELECTION #:	<u>1,731.16</u>
WORK AUTHORIZATION #:	_____
WORK AUTHORIZATION #:	_____
CREDIT WORK AUTHORIZATION #:	_____

(LESS) NON REALTY ITEMS:

<u>Refrigerator</u>	<u>N/A</u>
<u>Icemaker</u>	<u>N/A</u>
<u>Washer</u>	<u>470.00</u>
<u>Dryer</u>	<u>345.00</u>
TOTAL NON REALTY ITEMS:	<u>\$ 815.00</u>

CONTRACT + DECORATOR SELECTIONS: 105,681.16

LESS NON-REALTY ITEMS: 815.00

TOTAL DEED AMOUNT: \$ 104,866.16

777

K. HOVNANIAN CREUARY-OPP RENEWAL CORP III
PROJECT : IW -- SOCIETY HILL @ UNIV. HEIGHTS III E&C

D.S.No : IW-23-61
Printed: 17-NOV-1993

BLDG NO: 34 UNIT: G1
MODEL : STH1330-G >LO

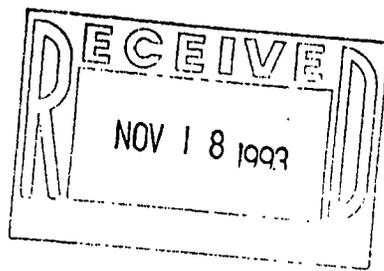
*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADW01	DISHWASHER	1ST LEVEL 3 CYCLE	GD500	ALMOND	ALMOND	340.00
AMS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00
AKS00	RANGE	STANDARD RANGE	758C155E	ALMOND	ALMOND	0.00
AWX01	WASHER	WASHER LG CAPACITY	224A5600	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDE5980	WHITE	WHITE	345.00
02---CABINETS---						
KCS00	KITCHEN CABINETS	ALTON LITE				0.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4143-6	NEUTRAL GLACE	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	VERSAILITY	26	60.0 SY	G211 MELLOW BEIGE	ECC0101400
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	VERSAILITY	26	78.0 SY	G211 MELLOW BEIGE	ECC0103400
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	CANBRAY		17.67 SY	G8505	FLC0103400
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STANDARD LAYOUT					576.16
04---SELECTIONS: INTERIOR---						
MBS01	BIFOLD DOORS	DR, LEFT SID BIFOLD	STD BIFOLD	3'0"		0.00
MBS02	BIFOLD DOORS	DR, RIGHT SID BIFOLD	SID BIFOLD	3'0"		0.00
MSS01	SLIDER DOORS	MSTR BR STD SLIDER	STD SLIDER	3'0"		0.00
MSS02	SLIDER DOORS	BR #1 STD SLIDER	STD SLIDER	4'0"		0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: <i>[Signature]</i>	GRAND TOTAL	\$	1731.16
PURCHASER: <i>[Signature]</i>	Incl. Mortg. Sel	\$	1731.16
DATE: 11-17-93	AMOUNT DUE NOW	\$	51.93
SALV. REP: <i>[Signature]</i>	AMOUNT PAID NOW	\$	51.93 'CK'
SALES REP: <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	1679.23
CONST. MGR: <i>[Signature]</i>			



KHOV036249

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: G1

The Purchase Agreement between Jaqueline A. Sherwin BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11-2-93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,681.16
- 2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3170.43
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,510.73
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,866.16

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/17/93
DATE

Jaqueline A. Sherwin
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036250

S U M M A R Y O F S A L E T R A N S A C T I O N S

TC15

The SELLER: K. HOVNAMIAN (NEWARK) URB RENEMAL CORP Located at: 10 HWY 35, P.O. BOX 500, RED BANK, NEW JERSEY, 07701.

The BUYER(S): JACQUELINE A. SHERVINGTON (U) of 67-25 WOODHAVEN BLVD., #2A, REGO. PK., NY, 11374. Tel: Res: (718) 565-8532, Bus: (718) 264-4439.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILLS @ UNIV. HEIGHTS III E&C, NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 22.13, BLDG NO: 22, UNIT NO: G1, MODEL: SM1130-C, FLOWER

The PURCHASE PRICE : \$103,950.00 Consisting of: BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 02-NOV-1993, ON SIGHTING CONTRACT \$ 1,000.00 ON DATE 02-NOV-1993, ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-DEC-1993, BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHQ. Total PAYMENT \$103,950.00

MORTGAGE AMOUNT \$100,850.00 MORTGAGE CONTINGENCY DATE: 01-JAN-1994, Estimated COMPLETION DATE: 15-FEB-1994, IV-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

Signatures and dates for Seller (K. Hovnamian at Newark Urban Renewal Corporation III, Inc.) and multiple Buyer entries.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc. Attn: H. Michael McGreevey, 10 Highway 35, P.O. Box 500, Red Bank, NJ 07701.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided prior in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse: any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

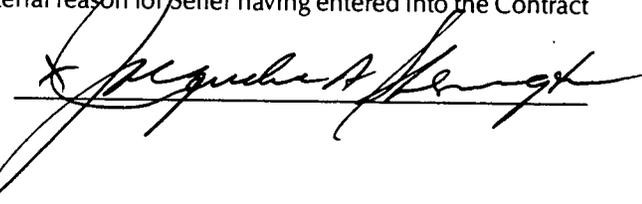
JOSEPH J. HANLEY

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2 day of Nov, 1993.

Buyer: 



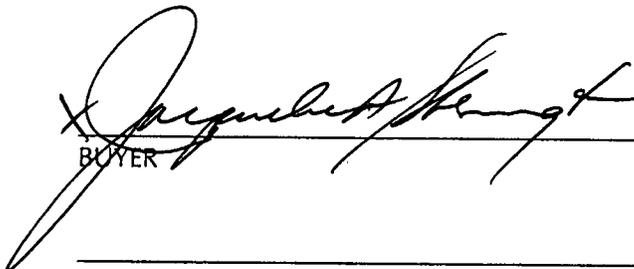
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 11/2/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800


BY WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SINCLAIR
Lot: 22.15 Block: 406
Address: 53A WICKLIFFE STREET
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: May 31, 1994
Deed Amount: 108,691.00
Certificate of
Occupancy date: 5-25-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Willie R. Sinclair
WILLIE R. SINCLAIR

Gloria Sinclair
GLORIA SINCLAIR

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036283



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SINCLAIR
Lot: 22.15 Block: 406
Address: 53A WICKLIFFE STREET
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
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Newark, NJ 07103

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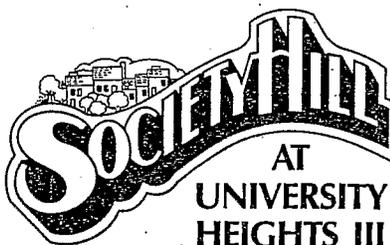
Very truly yours,

Willie R. Sinclair
WILLIE R. SINCLAIR

Gloria Sinclair
GLORIA SINCLAIR

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036284

JW

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 27 UNIT: #1

The Purchase Agreement Between Willie R. Sindain, BUYER(S)
Gloria Sindain, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-16-94
DATE

Willie R. Sindain
BUYER

Gloria Sindain
BUYER

BUYER

SELLER CORPORATION:

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV036290

OK

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,336.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER
SELLER CORPORATION:
BY: [Signature]
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

OR

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., Seller, and

Willie R. Sinclair

Gloria Sinclair

Buyer.

UNIT: #1 BLDG.: 33 PURCHASE AGREEMENT DATE: 4/2/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 4,000.00.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/2/94

"SELLER"
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

[Signature]

DATE 4-9-94

WITNESS AS TO SIGNATURES OF ALL BUYERS:

[Signature]

"BUYER"

[Signature]
[Signature]

KHOV036292

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: N. HOVNANIAN URBAN RENOVATION CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): WILLIE R SINCLAIR (W) of 78 MADISON AVENUE/APT C
 NEWARK
 NJ , 07108.
 Tel: Res: (201) 624-7005
 Bus: (201) 896-5000

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
 NEWARK
 NJ , 07108.
 Tel: Res: (201) 624-7005
 Bus: (201) 430-2706

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.15
 BLDG NO: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

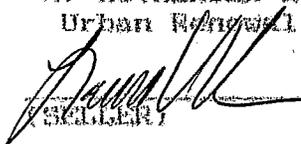
The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	02-APR-1994
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	02-APR-1994
	ADDITIONAL DEPOSIT	\$	2,118.50	BY DATE	02-MAY-1994
	BALANCE at CLOSING	\$100,831.50	PAID by CERTIFIED CHECK		
	Total PAYMENT		\$103,950.00		

MORTGAGE AMOUNT : \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DIV-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) 4/7/94
 DATE

	4-2-94
(BUYER)	DATE
	4-2-94
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036293



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that onsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 2004

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2nd day of April, 1994.

Buyer: x Willes R. Sinden

Lisa M. Weems

Buyer: x Gloria Sinden

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Willes R. Sinden 4-29-94
BUYER DATE

x Gloria Sinden 4-29-94 BY: [Signature] 4/29/94
BUYER DATE DATE



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Booker
Lot: 22.17 Block: 406
Address: 51A Wickliffe Street
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: 5-24-95

Deed Amount: \$ 33,700.00

Certificate of
Occupancy date: 5-23-95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: N/A CASH SALE

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Lillian Booker
Lillian Booker

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036327



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Booker
Lot: 22.17 Block: 406
Address: 51A Wickliffe Street
NEWARK, NJ 07103

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Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

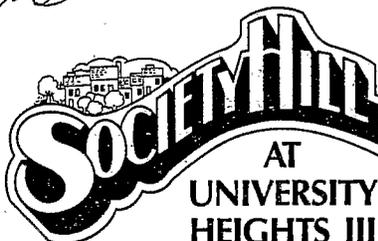
Please change your account records immediately to reflect the above.

Very truly yours,

Lillian Booker
Lillian Booker

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigans
Shelly L. Bigans
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036328

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Shelly L. Bigams

SHELLY L. BIGAMS

LILLIAN E. BOOKER

This Mortgage made on MAY 24, 1995 between CITY OF NEWARK (referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"), which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated MAY 24, 1995. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the _____ of _____ County of _____ and State of New Jersey, specifically described as follows:
Street Address: _____
City: _____ Zip: _____ Block No.: _____ Lot No.: _____
Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036343

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Shelly L. Bigams
SHELLY L. BIGAMS

This Mortgage made on MAY 24, 1995 between LILLIAN E. BOOKER
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated MAY 24, 1995. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the _____ of _____
County of _____ and State of New Jersey, specifically described as follows:
Street Address: _____
City: _____ Zip: _____ Block No.: _____ Lot No.: _____

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.

2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036344

maximum allowable resale price, the method of repayment described in Item 1(b) of the section entitled "Borrower's Promises", and the definition of a "restricted sale" for purposes of determining when the Affordability Controls are applicable, and the determination of the restricted period of time.

RIGHTS GIVEN TO LENDER

The Borrower, by mortgaging the Property to the Authority, gives the Authority those rights stated in this Mortgage, all rights the law gives to lenders, who hold mortgages, and also all rights the law gives to the Authority and/or Municipality under the Affordability Controls. The rights given to the Authority and the restrictions upon the Property are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Borrower and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in the Note and Mortgage, the Authority will cancel this Mortgage at its expense.

DEFAULT

The Authority may declare the Borrower in default on the Note and this Mortgage if:

1. The Borrower fails to comply with the provisions of the Affordable Housing Agreement;
2. The Borrower fails to make any payment required by the Note and this Mortgage;
3. The Borrower fails to keep any other promise made in this Mortgage;
4. The ownership of the Property is changed for any reason without compliance with the terms of the Note and Mortgage;
5. The holder of any lien on the Property starts foreclosure proceedings; or
6. Bankruptcy, insolvency or receivership are started by or against any of the Borrowers.

AUTHORITY'S RIGHTS UPON DEFAULT

If the Authority declares that the Note and this Mortgage are in default, the Authority shall have, subject to the rights of the First Mortgagee, all rights given by law or set forth in this Mortgage.

NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON NOTICE TO THE OTHER PARTY.

NO WAIVER BY AUTHORITY

The Authority may exercise any right under this Mortgage or under any law, even if the Authority has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. The Authority does not waive its right to declare the Borrower in default by making payments or incurring expense on behalf of the Borrower.

EACH PERSON LIABLE

This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Authority may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

SUBORDINATE MORTGAGE

The lien on this Mortgage is inferior to and subject to the terms and provisions of the First Purchase Money Mortgage executed contemporaneously herewith or any subsequent refinancing.

NO ORAL CHANGES

This Mortgage can only be changed by an agreement in writing signed by both the Borrower and the Authority.

SIGNATURES

The Borrower agrees to the terms of this Mortgage by signing below.

ACKNOWLEDGEMENT

Borrower acknowledges receipt of a true copy of this mortgage at no charge.

Dated: MAY 24, 1995

ATTEST: _____

By: _____

Signature (Borrower) LILLIAN E. BOOKER

Signature (Co-Borrower)

STATE OF NEW JERSEY)

)ss

COUNTY OF)

BE IT REMEMBERED, that on this 24TH day of MAY, 19 95, before me, the subscriber, _____ personally appeared _____

who, being by me duly sworn on his/her oath, deposes and makes proof to my satisfaction, that he/she is the Borrower (Co-Borrower) named in the within instrument; that is the Repayment Mortgage for the described Property; that the execution, as well as the making of this instrument, has been duly authorized and is the voluntary act and deed of said Owner.

Sworn to and subscribed before me, _____
the date aforesaid.

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated MAY 24, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LILLIAN E. BOOKER (UNMARRIED) the GRANTEE

about to reside at 51A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY-THREE THOUSAND SEVEN HUNDRED AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

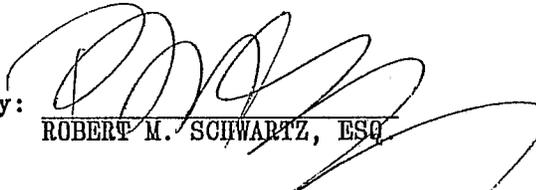
Unit No. 11, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ

KHOVC36349

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE ABOVE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION OF THIS RESTRICTION SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., WHO, DURING THE REMAINDER OF THE TEN YEAR PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER LOW OR MODERATE INCOME PURCHASER. This restriction shall be a covenant that runs with the land.

The Grantee promises, covenants and agrees with Grantor that anyone claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.17, in Block No. 406, on the tax map of the City of Newark.

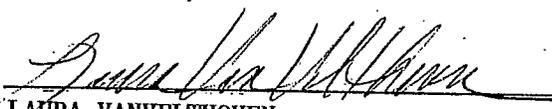
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


LAURA VANVELTHOVEN,
Sales Manager

KHOV036350

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 24, 1995 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ODELL D. RUSSELL
Notary Public of New Jersey
My Commission Expires 11/1/99

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 24 day of MAY, 1995.

GRANTEE LILLIAN E. BOOKER GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 24th day of MAY, 1995, before me, the subscriber LILLIAN E. BOOKER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
LILLIAN E. BOOKER

CHARGE, RECORD AND RETURN TO CARMINE J. CARUSO, ESQUIRE
81 NORTHELD AVENUE
WEST ORANGE, NJ 07052

KHOV036351

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/04/95

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/95	1/01/96	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 5000000
					EACH OCCURRENCE \$ 5000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. Bldgs & Cnts Fidelity	BC02900238 BC02900238	1/01/95 1/01/95	1/01/96 1/01/96	\$21,775,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LILLIAN E. BOOKER, (UNMARRIED)
LOCATION: 51A WICKLIFFE STREET, NEWARK, NJ 07103 LOT:22.17 BLOCK:406

CERTIFICATE HOLDER

N/A

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/04/95

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts. III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

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					PRODUCTS-COMP/OP AGG. \$ 500000					
					PERSONAL & ADV. INJURY \$ 500000					
					EACH OCCURRENCE \$ 500000					
					FIRE DAMAGE (Any one fire) \$ 5000					
					MED. EXPENSE (Any one person) \$ 500					
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					BODILY INJURY (Per person) \$					
					BODILY INJURY (Per accident) \$					
					PROPERTY DAMAGE \$					
					EACH OCCURRENCE \$					
					AGGREGATE \$					
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS					
					EACH ACCIDENT \$					
					DISEASE-POLICY LIMIT \$					
					DISEASE-EACH EMPLOYEE \$					
					A	OTHER Bldg. Bldgs & Cnts Fidelity	BC02900238 BC02900238	1/01/95 1/01/95	1/01/96 1/01/96	\$21,775,000.
										\$100,000.

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OWNER: LILLIAN E. BOOKER, (UNMARRIED)
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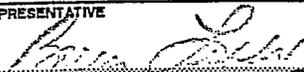
CERTIFICATE HOLDER

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 500000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 500000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 500000
					FIRE DAMAGE (Any one fire) \$ 5000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/95	1/01/96	\$21,775,000.
A	Bldg. Bldgs & Cnts	BC02900238	1/01/95	1/01/96	\$100,000.
	Fidelity				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LILLIAN E. BOOKER, (UNMARRIED)
LOCATION: 51A WICKLIFFE STREET, NEWARK, NJ 07103 LOT:22.17 BLOCK:406

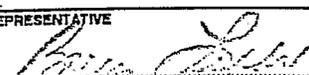
CERTIFICATE HOLDER

N/A

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

KHOV036370

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: 3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700.00

Consisting of:

BASE PRICE of MODEL: \$ 33,700.00
and Premiums:

\$ _____
\$ _____
\$ _____
\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-23-95

"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

[Signature]

DATE 3-18-95

"BUYER"

Lillian Booker

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Sara Weems

FORM PR/DOR
1/22/90

KHOV036383

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): LILLIAN E BOOKER (u) of 117 ROSE STREET/APT 1B
 Tel: Res: (201) 824-6249 NEWARK
 Bus: () - NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.17
 BLDG NO.: 22 , UNIT NO: 11 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 91,950.00

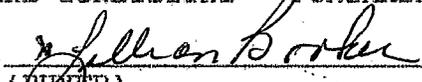
The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	18-MAR-1995
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	18-MAR-1995
	ADDITIONAL DEPOSIT	\$ 1,758.50	BY DATE	17-APR-1995
	BALANCE at CLOSING	\$ 89,191.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 91,950.00		

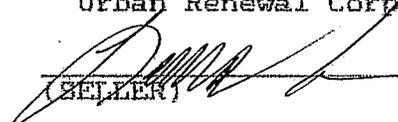
MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLICABLE
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

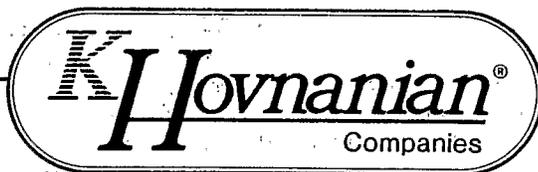
	3-18-95
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE


 (SELLER) 3-23-95
 DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036384



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner-occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Jillian Booker*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION-III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Jillian Booker 3-18-95
BUYER DATE

BUYER DATE

BY: *[Signature]* 3-23-95
DATE

KHOV036388



APRIL 29, 1994

X Office of Tax Abatement and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
To: WILLIAMS
Lot: 22.18 Block: 406
Address: 51B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: APRIL 29, 1994
Deed Amount: \$104,514.70

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mtg.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

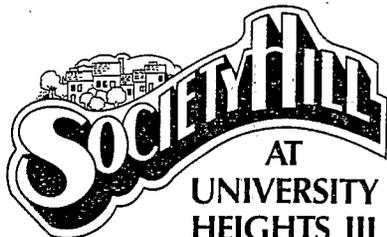
Please change your account records immediately to reflect the above.

Very truly yours,

OLLIE R. WILLIAMS

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036399



APRIL 29, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WILLIAMS
Lot: 22.18 Block: 406
Address: 51B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: APRIL 29, 1994
Deed Amount: \$104,514.70

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mfg.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

OLLIE R. WILLIAMS

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036400

THIS INDENTURE
(Site C and E)

Dated APRIL 29, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLLIE R. WILLIAMS, UNMARRIED

the GRANTEE

about to reside at 51B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,514.70

ONE HUNDRED FOUR THOUSAND FIVE HUNDRED FOURTEEN AND 70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 12, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made, under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RB9 (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

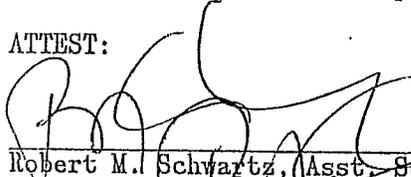
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.18, in Block No. 406, on the tax map of the City of Newark.

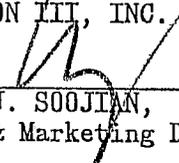
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, (Asst. Sec.)

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV036432

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 29, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,514.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 29 day of APRIL, 1994.

GRANTEE OLLIE R. WILLIAMS

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29 day of APRIL, 1994, before me, the subscriber OLLIE R. WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to

OLLIE R. WILLIAMS

KHOV036433

CHARGE, RECORD AND RETURN TO

MELVIN C. RANDALL, ESQUIRE

57 WASHINGTON AVE., E. ORANGE, NJ 07017

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCER

Weeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5,000,000 PRODUCTS-COMP/OP AGG. \$ 300,000.00 PERSONAL & ADV. INJURY \$ 300,000.00 EACH OCCURRENCE \$ 50,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Other Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED
LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (22I2) LOT: 22.18 BLOCK: 406

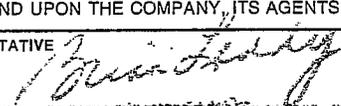
CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soe Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per-accident) \$
					PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
					A Fidelity

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED
LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (22I2) LOT: 22.18 BLOCK: 406

CERTIFICATE HOLDER

K. HOVMANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

01003E000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCER

Maeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Bldg. & Cnts Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED
LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (2212) LOT: 22.18 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

01003600

THIS INDENTURE
(Site C and E)

Dated APRIL 29, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLLIE R. WILLIAMS, UNMARRIED

the GRANTEE

about to reside at 51B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,514.70 ONE HUNDRED FOUR THOUSAND FIVE HUNDRED FOURTEEN AND 70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 12, in Building No. 122, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RB9 (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.18, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, (Asst. Sec.)

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

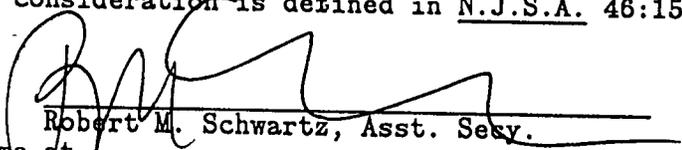
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV036460

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 29, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,514.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

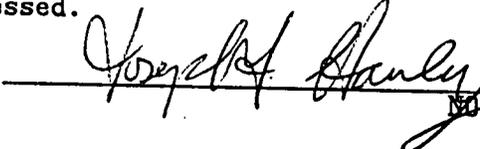
In witness whereof, I hereunto set my hand this 29 day of APRIL, 1994.


GRANTEE OLLIE R. WILLIAMS GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29 day of APRIL, 1994, before me, the subscriber OLLIE R. WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997


NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
OLLIE R. WILLIAMS

CHARGE, RECORD AND RETURN TO MELVIN C. RANDALL, ESQUIRE
57 WASHINGTON AVE., E. ORANGE, NJ 07017

KHOV036461

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Oliver R. Williams BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,155.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,945.80
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Oliver R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036469

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): OLLIE R WILLIAMS (u) of 120 VASSAR AVENUE/2ND FLOOR
Tel: Res: (201) 318-7854 NEWARK
Bus: (201) 705-3919 NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.18
BLDG NO.: 22 , UNIT NO: I2 , MODEL: STM1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 06-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms
and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT"
attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Ollie R Williams 2-5-94
(BUYER) DATE

(SELLER) 2-8-94 DATE

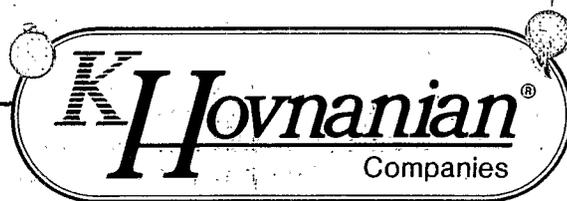
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE
AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date:

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee; which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: *Oliver Williams*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Oliver Williams 2594
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 2594
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: HURSTON
Lot: 22.19 Block: 406
Address: 49A WICKLIFFE STREET
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

INEZ HURSTON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036480



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
To: HURSTON
Lot: 22.19 Block: 406
Address: 49A WICKLIFFE STREET
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Our Mortgage Account No.:

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Please change your account records immediately to reflect the above.

Very truly yours,

INEZ HURSTON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036481

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND INEZ HURSTON, UNMARRIED

the GRANTEE

about to reside at 49A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

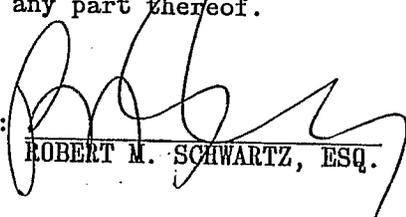
Unit No. J1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036501

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K. DATE OF CO VE
RENEWAL CORPORATION III, INC., WHO, DURING THE LL
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER AN
PURCHASER. This restriction shall be a covenant t AR
AE

The Grantee promises, covenants and agrees w e claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

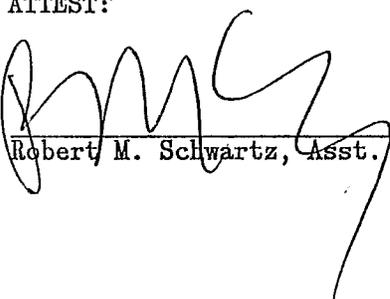
Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.19, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

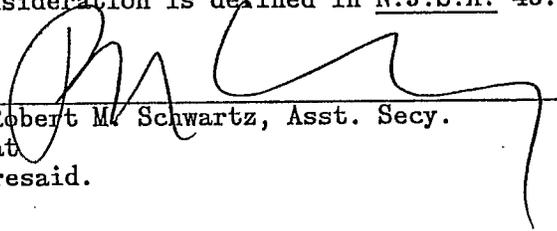
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

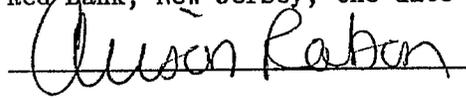
KHOV036502

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON BABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE INEZ HURSTON _____ GRANTEE _____

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber INEZ HURSTON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
INEZ HURSTON _____

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV036503

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Neeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-2100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

500 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER A Bldg. & Cnts A Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

file 2/21/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
OWNER: INEZ HURSTON, UNMARRIED

LDC: 49A WICKLIFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22.19 BLOCK: 406

KHOV036507

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between INEZ HURSTON, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 49A WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.19

Also more particularly described as:

Together with:

- All buildings and other improvement that now are or will be located on the Property.
- All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
- All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

- The Borrower acknowledges and understands that:
 - Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
- The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

- The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036511

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP.AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER				
	Bldg. & Cnts Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: INEZ HURSTON, UNMARRIED
LOC: 49A WICKLEFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22,19 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CD LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: INEZ HURSTON, UNMARRIED
LOC: 49A WICKLIFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22.19 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
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ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): INEZ HURSTON (u) of 467 CLINTON AVENUE/APT A
 Tel: Res: (201) 622-5656 NEWARK
 Bus: (201) 430-2706 NJ , 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.19
 BLDG NO: 22 , UNIT NO: J1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 07-JAN-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 07-JAN-1994
 ADDITIONAL DEPOSIT \$ 11.00 BY DATE 06-FEB-1994
 BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
 Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 08-MAR-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 (SELLER) DATE 1.11.94

Inez Hurston 1-7-94

 (BUYER) DATE

 (BUYER) DATE

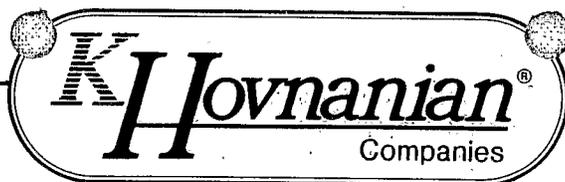
 (BUYER) DATE

 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036528



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 7th day of January, 1994.

Buyer: *[Signature]*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 1-7-94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 1-14-94
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV036532



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: GAYLE
Lot: 22.20 Block: 406
Address: 49B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Myrtel Gayle
MYRTEL GAYLE

Arthur L. Gayle
ARTHUR GAYLE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036539



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: GAYLE
Lot: 22.20 Block: 406
Address: 49B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

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Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

MYRTEL GAYLE

ARTHUR GAYLE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036540

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND

the GRANTEE

about to reside at 49B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of 63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

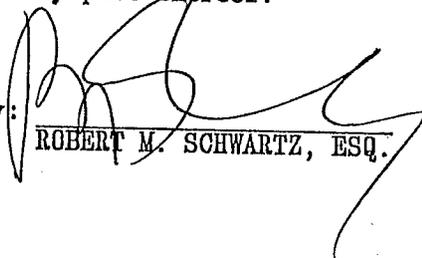
Unit No. J2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036567

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K.
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER
PURCHASER. This restriction shall be a covenant t

DATE OF CO

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The Grantee promises, covenants and agrees w
claiming title from, through or under the Grantee shall be subject to the
terms and conditions embraced in the Master Deed, the Regional Contribution
Agreement entered into by the City of Newark and another municipality, if
any, the Regional Contribution Agreement Administrative Procedures, the
Contract for Regional Contribution Subsidy between the City of Newark and
another municipality, the Contract between the City of Newark and Grantor
for Award of Regional Contribution Agreement Funds and any other applicable
laws, rules and regulations of the New Jersey Council on Affordable
Housing, the Department of Community Affairs or other bodies under the Fair
Housing Act or other laws pertaining to affordable, for sale, low/moderate
housing, all of which may change from time to time (and which may extend
the ten year timeframe referred to herein). The terms and conditions set
forth in this Deed, the aforementioned documents and agreements as well as
the Second Repayment Mortgage, Second Repayment Mortgage Note and
Affordable Housing Agreement to be executed by Grantee contain resale and
other restrictions and shall be covenants running with the land.

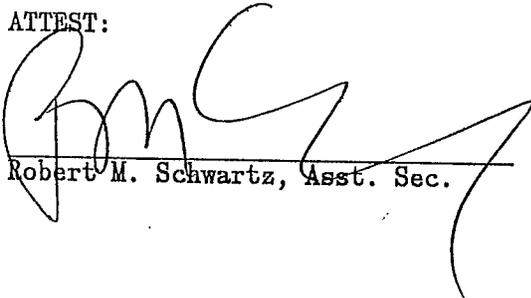
Any reversioning of title shall always be subject to and limited by, and shall
not defeat, render invalid, or limit in any way, the lien of any mortgage
authorized by the agreements and documents mentioned in this Deed for the
protection of the holders of such mortgage, and this provision shall remain
in effect for set period of ten years, unless the City of Newark waives
same.

Being also known as Lot No. 22.20, in Block No. 406, on the tax map
of the City of Newark.

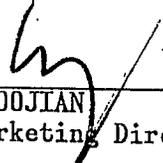
This Deed has been signed and attested to by the appropriate officers
of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

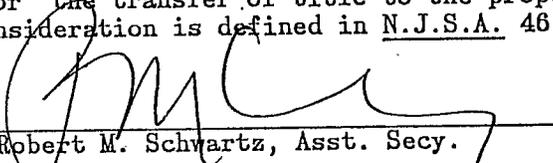
BY:


WAYNE J. SOOJIAN
Sales & Marketing Director

KHOVD36568

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, , 19⁹⁴ Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 63,700.00 .


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 19⁹⁴.

GRANTEE MYRTEL GAYLE

GRANTEE ARTHUR L. GAYLE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 19⁹⁴, before me, the subscriber MYRTEL GAYLE AND ARTHUR L. GAYLE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
MYRTEL GAYLE AND ARTHUR L. GAYLE

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV036569

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER A St. Paul Fire & Marine
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER D
- COMPANY LETTER E

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Hgwt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 50000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Other Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

M/S 1/2/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 01008000

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between MYRIEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 49B WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.20

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036577

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Sec. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER				
	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
 LOC: 49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Shankey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER				
A	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
LOC: 49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

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K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000



ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.

A handwritten signature in black ink, appearing to read 'Wayne Soojian', is written over a horizontal line.

WAYNE SOOJIAN



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036595



ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

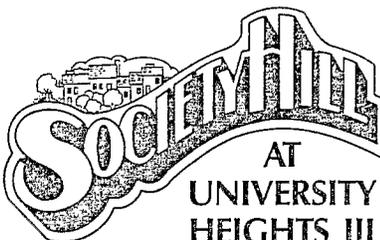
BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.

A handwritten signature in black ink, appearing to read 'Wayne Soojian', is written over a horizontal line.

WAYNE SOOJIAN



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036596

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): MYRTEL GAYLE (W) of 726 LYONS AVENUE/APT 2
 Tel: Res: (201) 375-3574 IRVINGTON
 Bus: (201) 676-1000 NJ ,07111.

ARTHUR L GAYLE (H) of 726 LYONS AVENUE/APT 2
 Tel: Res: (201) 375-3574 IRVINGTON
 Bus: () NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.20
 BLDG NO.: 22 , UNIT NO: J2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 63,700.00

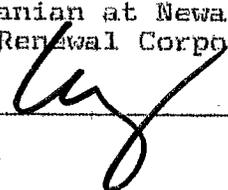
The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	11-DEC-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	11-DEC-1993
	ADDITIONAL DEPOSIT	\$ 911.00	BY DATE	10-JAN-1994
	BALANCE at CLOSING	\$ 61,789.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 63,700.00		

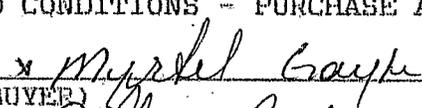
MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 09-FEB-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

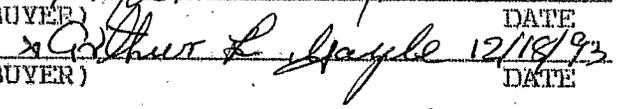
PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

 12-23-93
 (SELLER) DATE

 12-18-93
 (BUYER) DATE

 12/18/93
 (BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036597



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18th day of December, 1993.

Buyer: Myrdel Gayle

Lisa M. Weems

Buyer: Arthur L. Gayle

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

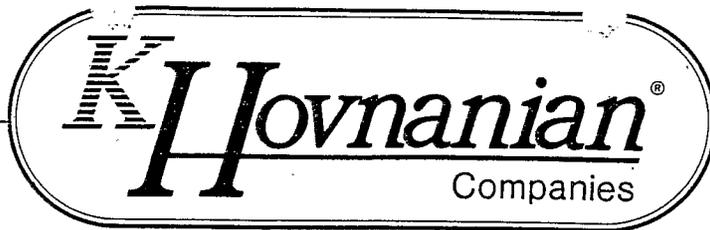
YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Myrdel Gayle 12-18-93
BUYER DATE

Arthur L. Gayle 12/18/93
BUYER DATE

BY: [Signature] 12-23-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DARGON
Lot: 22.23 Block: 406
Address: 45A WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

KRISTAL L. DARGON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036608



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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Please change your account records immediately to reflect the above.

Very truly yours,

KRISTAL L. DARGON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036609

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

- COMPANY LETTER A St. Paul Fire & Marine
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER D
- COMPANY LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

Handwritten: AD 2/21/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
OWNER: KRISTAL L. DARGON, UNMARRIED
LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDER
K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE _____ 0.0038000

KHOV036640

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between KRISTAL L. DARGON, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 45A WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.23

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

- In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:
1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036645

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND KRISTAL L. DARGON, UNMARRIED

the GRANTEE

about to reside at 45A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00

THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

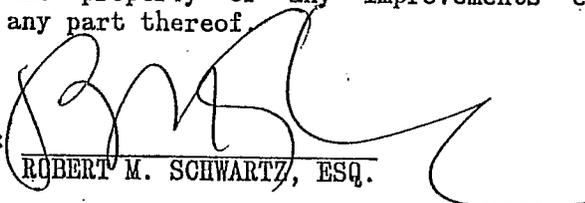
Unit No. L1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036647

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN MENTIONED RESTRICTION AND ANY SALE AND VIOLATION BE VOID AND CAUSE A REVERSION OF TITLE TO K RENEWAL CORPORATION III, INC., WHO, DURING THE PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER PURCHASER. This restriction shall be a covenant

DATE OF CO

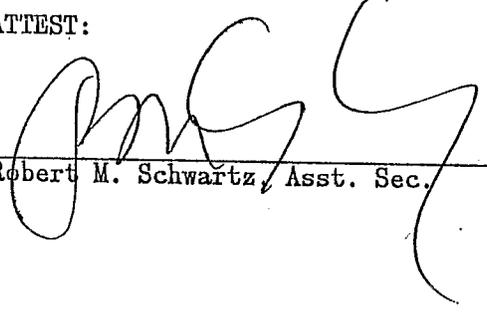
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OME

The Grantee promises, covenants and agrees to defend, protect, maintain, and preserve the title to the property and to defend, protect, maintain, and preserve the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

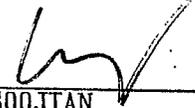
Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.23, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

Robert M. Schwartz, Asst. Sec.

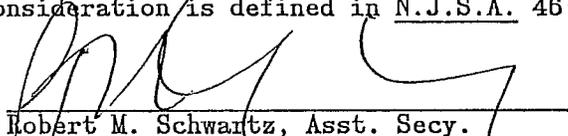
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

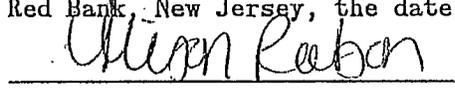
KHOV036648

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE KRISTAL L. DARGON GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber KRISTAL L. DARGON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
KRISTAL L. DARGON

CHARGE, RECORD AND RETURN TO SABASTIAN RIO, ESQUIRE
3 SOUTH JEFFERSON STREET
ORANGE, NJ 07050

KHOV036649

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc Hill @ University Hts, Ill
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PRODUCTS-COMP/CP AGG. \$ 5000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
<input type="checkbox"/>	ANY AUTO				COMBINED SINGLE LIMIT \$
<input type="checkbox"/>	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
<input type="checkbox"/>	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
<input type="checkbox"/>	HIRED AUTOS				PROPERTY DAMAGE \$
<input type="checkbox"/>	NON-OWNED AUTOS				
<input type="checkbox"/>	GARAGE LIABILITY				
	EXCESS LIABILITY				
<input type="checkbox"/>	UMBRELLA FORM				EACH OCCURRENCE \$
<input type="checkbox"/>	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				
					STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
	OTHER				
<input checked="" type="checkbox"/>	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
<input checked="" type="checkbox"/>	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: KRISTAL L. DARGON, UNMARRIED
LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 3000000
					EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND <input type="checkbox"/> EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	<input type="checkbox"/> OTHER Bldg. & Cnts Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000.
					\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: KRISTAL L. DARGON, UNMARRIED
LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K. HOVNANIAN URBAN-RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): KRISTAL L. DARGON (H) of 264 CHADWICK AVENUE/2ND FLOOR
 Tel: Res: (201) 242-8831 NEWARK
 Bus: (201) 371-0113 NJ , 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.23
 BLDG NO: 22 , UNIT NO: L1 , MODEL: ETH1050-CL >LOWER M.L.L. I

The PURCHASE PRICE : \$ 33,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	04-DEC-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	04-DEC-1993
	ADDITIONAL DEPOSIT	\$	11.00	BY DATE	03-JAN-1994
	BALANCE at CLOSING	\$	32,689.00	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$ 33,700.00		

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Kristal Dargon 12-2/93
 (BUYER) _____ DATE
 _____ DATE
 (BUYER) _____ DATE
 _____ DATE
 (BUYER) _____ DATE

[Signature] 12-10-93
 (SELLER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV036671



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement: However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

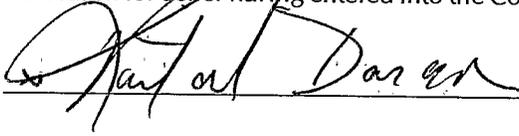
- A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.
- B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.
- C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e. cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4th day of December, 1993.

Buyer: 

Lisa M. Weems

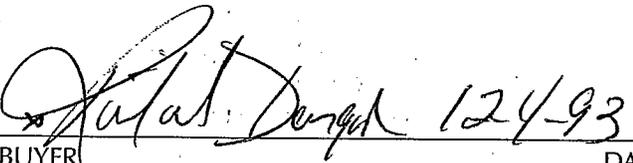
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

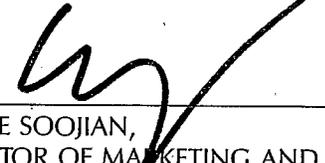
NOTICE TO PURCHASERS

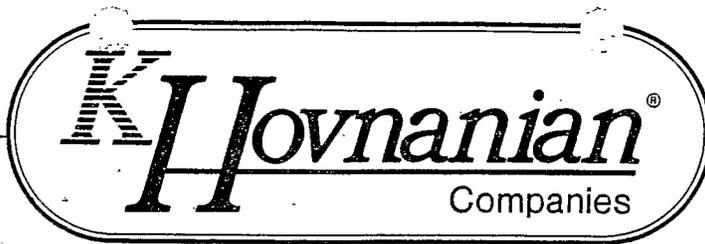
YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 124-93
BUYER _____ DATE _____

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY:  12.10.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE _____



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CLARK
Lot: 22.24 Block: 406
Address: 45B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

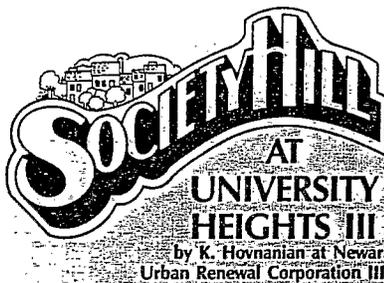
Very truly yours,

Daisy B Clark

DAISY B. CLARK

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036682



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
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Very truly yours,

Daisy B. Clark

DAISY B. CLARK

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036683

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER Blanket Building Contents BC02900238 Fidelity BC02900238		1/01/94	1/01/95	\$11,475,000 100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DAISY B. CLARK, UNMARRIED
LOC: 45B WICKLIFFE STREET, NEWARK, NJ 07103 (22L2) LOT: 22.24 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
 21 Commerce Drive
 Cranford, NJ 07016
 908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill @ University Hts. III
 c/o Eastern Community Mgmt
 225 Highway 35
 Red Bank
 NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER <input checked="" type="checkbox"/> Blanket Building Contents <input checked="" type="checkbox"/> Fidelity	BC02900238	1/01/94	1/01/95	\$11,475,000.
		BC02900238	1/01/94	1/01/95	100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DAISY B. CLARK, UNMARRIED
 LOC: 45B WICKLIFFE STREET, NEWARK, NJ 07103 (22L2) LOT: 22.24 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
 THEIR SUCCESSORS AND/OR ASSIGNS,
 AS THEIR INTEREST MAY APPEAR
 ONE INDUSTRIAL WAY WEST, BLDG. D
 EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010035000

ACORD CERTIFICATE OF INSURANCE

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Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
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INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
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A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 300000 PRODUCTS-COMP/OP AGG. \$ 300000 PERSONAL & ADV. INJURY \$ 300000 EACH OCCURRENCE \$ 300000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$ 500
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Blanket Building Contents	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	100,000

Handwritten: 1/21/94
CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DAISY B. CLARK, UNMARRIED
LOC: 45B WICKLIFFE STREET, NEWARK, NJ 07103 (22L2) LOT: 22.24 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

Handwritten Signature

010035000

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DAISY B. CLARK, UNMARRIED

the GRANTEE

about to reside at 45B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

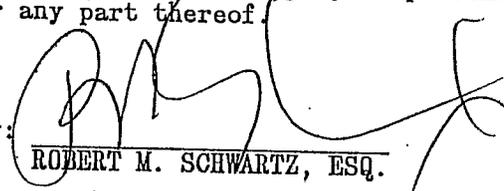
Unit No. L2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036722

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION THEREOF SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO KENNETH R. RENEWAL CORPORATION III, INC., WHO, DURING THE TEN YEAR PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER PURCHASER. This restriction shall be a covenant

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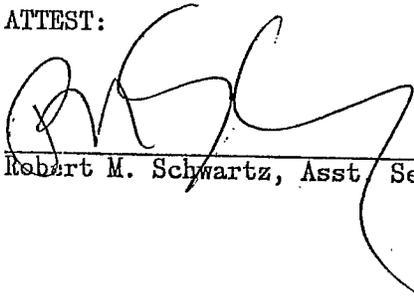
The Grantee promises, covenants and agrees that any person claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.24, in Block No. 406, on the tax map of the City of Newark.

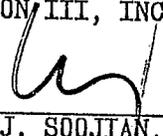
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

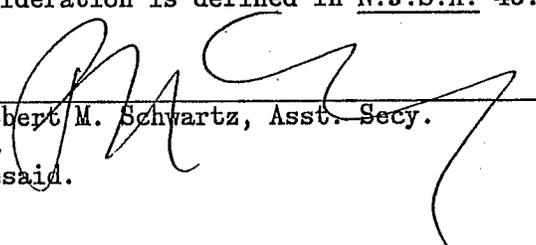
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

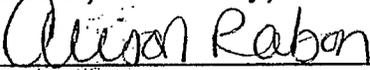
KHOV036723

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 63,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1998 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE DAISY B. CLARK

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber DAISY B. CLARK, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
DAISY B. CLARK

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARJ, NJ 07102

KHOV036724

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between DAISY B. CLARK, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 45B WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.24

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.

2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:

- a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

- b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036727

S U M M A R Y O F B A S I C P R O V I S I O N S

TC10

The SELLER: K. HOVNANIAN URBAN-RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): DAISY B CLARK (W) of 440 WASHINGTON STREET/APT 6H
 Tel: Res: (201) 624-6507 NEWARK
 Bus: (201) 450-2292 NJ 07102.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: DOCTRY HILL @ UNIV. HEIGHTS III ESC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.24
 BLDG NO.: 22 , UNIT NO: L2 , MODEL: ETH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	06-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-NOV-1993
	ADDITIONAL DEPOSIT	\$ 911.00	BY DATE	06-DEC-1993
	BALANCE at CLOSING	\$ 61,789.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 63,700.00		

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Daisy B Clark 11/6/93
 (BUYER) DATE

[Signature] 11.11.93
 (SELLER) DATE

(BUYER) DATE

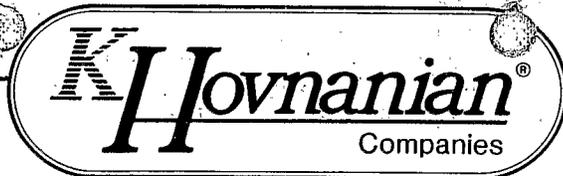
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV036740



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 12, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: *Daisy B Clark*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Daisy B Clark 11/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 11-11-93
WAYNE SOOMAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV036744

22 M1

22 M1

LOT: 22.25

43A WICKLIFFE ST.

KHOV036745

AMENDMENT TO PURCHASE AGREEMENT
BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC. SELLER AND

CARRISSA WILLIAMS

BUILDING: 22 UNIT: M1 PURCHASE AGREEMENT DATE: 9/30/95

SELLER WILL PAY 2 POINT(S) TOWARDS CLOSING ON THE ABOVE NAMED HOME,
TO TAKE PLACE BY OCTOBER 31, 1995

Carissa Williams 10/30/95
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VAN VELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV036746

ZZZ

K.HOVHANNIAN BNEWARK-ORR RENEWAL CORP III

D.S.No : 1W-22-81

COMMUNITY : 1W - SOCIETY HILL P URIV. HEIGHTS III EEC

Printed: 24 OCT-1995

BLDG NO: 22 UNIT: H1
MODEL : SCH150-G >LD

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 01 oct-1995

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
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01---APPLIANCES---

AX01	WASTE DISPOSAL	DISPOSAL	HTC29E			0.00
AOX02	DISHWASHER	UPGRADE 4 CYCLE	GS0950	ALMOND	ALMOND	0.00
AEX04	REFRIGERATOR	105 BXS 21.6 CF 33.5	TFX222RS	21.6 CF	ALMOND	0.00
AX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVH2310L	BLACK	BLACK	0.00
AR01	RANGE	UPGRADE SELF CLEAN	36R246E	ALMOND	ALMOND	0.00
AW02	WASHER	WASHER SUPER CAPACITY	WMA0620	WHITE	WHITE	0.00
AYX02	DRYER	DRYER 5 CYCLE	XYR067900	WHITE	WHITE	0.00

02---CABINETS---

KCU01	KITCHEN CABINETS	SURKEMILL (SU)				0.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		030-6	NATURAL ALMOND	0.00

03---FLOORING---

Zone: 01 2ND FLOOR						
CARPETING	CRYSTAL VALLEY	40	39.33 SY	0711	STARWHITE	FCC0101A04PC
Zone: 02 1ST FLOOR STAIRS/HALL						
CARPETING	CRYSTAL VALLEY	40	63 SY	0711	STARWHITE	FCC0102A04PC
Zone: 03 KITCHEN						
LINOLEUM FLO	STARSTEP		19 SY	64501		FCC0103A02FL

Package includes UPGRADE Padding in carpeted areas

XES01	FLOORING PACKAGES -- STD. LAYOUT					0.00
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04---SELECTIONS: INTERIOR---

HBU00	BIFOLD DOORS	LIVING ROOM STORAGE	H1-BIFOLD	4'0"		0.00
HBU01	BIFOLD DOORS	MASTER BEDROOM	H1-BIFOLD	4'0"		0.00
HBU02	BIFOLD DOORS	BEDROOM #2	H1-BIFOLD	4'0"		0.00
HBU03	BIFOLD DOORS	2ND FLOOR STORAGE	H1-BIFOLD	4'0"		0.00
HBU04	BIFOLD DOORS	J.R. COAT CLOSET	H1-BIFOLD	3'0"		0.00
HBU05	BIFOLD DOORS	2ND FLOOR LINEN	H1-BIFOLD	3'0"		0.00
HBU06	BIFOLD DOORS	STORAGE UNDER STAIRS	H1-BIFOLD	3'0"		0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Carress Williams GRAND TOTAL 0.00
 PURCHASER : _____
 DATE : 10/30/95

SALES REP : Sina Weiss
 SALES MGR : Lauren Green Rutledge / 803 10/25/95
 CONST. MGR : _____ AMOUNT DUE AT CLOS 0.00

BUYERS MUST CLOSE BY 10/31/95 IN ORDER TO BE GIVEN DECORATOR SELECTIONS AT NO CHARGE.

KHOV036747

S U M M A R Y O F B A S I C P R O V I S I O N S

TC1

The SELLER: K. HOVNANIAN URBAN-RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): CAROLISA M WILLIAMS (W) of 16 CUTLER STREET
 Tel: Res: (201) 481-4050 NEWARK
 Bus: (212) 581-0300 NJ , 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: COMMUNITY: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.25
 BLDG NO: 22 , HOME NO: M1 , MODEL: SCH150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	30-SEP-1995
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	30-SEP-1995
	ADDITIONAL DEPOSIT	\$ 1,758.50	ON DATE	30-OCT-1995
	BALANCE at CLOSING	\$ 89,191.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 91,950.00		

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1995
 Estimated COMPLETION DATE: 15-FEB-1994
 DV-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.	<i>Carissa M. Williams 9/21/95</i>	DATE
	(BUYER)	DATE
<i>[Signature]</i>	10-2-95	DATE
(SELLER)	(BUYER)	DATE
	(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarum, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036749



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Cassio M. Williams*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Cassio M. Williams 9/30/15
BUYER DATE

BUYER DATE

BY: *[Signature]* 10-2-15
DATE

KHOV036753



X Tax Collector
Utility of Newark
920 Broad Street, Room 104
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Williams
Lot: 22.25 Block: 406
Address: 43A Wickliffe Street
NEWARK, NJ 07103

___ Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: 10/30/95

Deed Amount: \$91,950.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: K. HOVNIANIAN MORTGAGE CORP.

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Carrissa M. Williams
Carrissa M. Williams

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Shelly L. Bigams
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036765



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Williams
Lot: 22.25 Block: 406
Address: 43A Wickliffe Street
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
920 Broad Street, Room 104
Newark, NJ 07103

Closing date: 10/30/95
Deed Amount: \$91,950.00
Certificate of
Occupancy date: 10/30/95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: **K. HOVNANIAN MORTGAGE**

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Carrissa M. Williams
Carrissa M. Williams

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigans
Shelly L. Bigans
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036766

THIS INDENTURE
(Site C and E)

Dated OCTOBER 30, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CARISSA WILLIAMS (UNMARRIED)

the GRANTEE

about to reside at 43A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$91,950.00

NINETY ONE THOUSAND NINE HUNDRED FIFTY AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. M1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

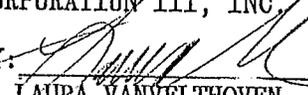
Being also known as Lot No. 22.25, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by:

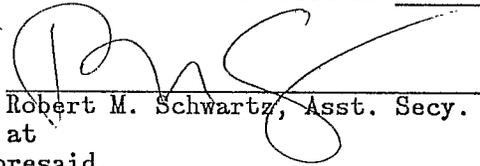
ROBERT M. SCHWARTZ, ESQ.

KHOV036784

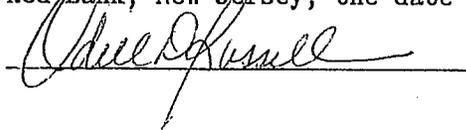
STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On OCTOBER 30, 19 95 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 91,950.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid



ODELL D. RUSSELL
Notary Public of New Jersey
My Commission Expires 11/1/99

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of OCTOBER, 19 95.

GRANTEE CARRISSA WILLIAMS

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of OCTOBER, 19 95, before me, the subscriber CARRISSA WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to CARRISSA WILLIAMS

CHARGE, RECORD AND RETURN TO

CARL MARSHALL, ESQUIRE

125 BROAD STREET, SUITE 911

ELIZABETH, NJ 07201

KHOV036785

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc.Hill @ University Hts. III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/95	1/01/96	GENERAL AGGREGATE \$ 500000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/DP AGG. \$ 500000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 500000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 500000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER				
	Bldg. Bldgs & Cnts	BC02900238	1/01/95	1/01/96	\$21,775,000.
A	Fidelity	BC02900238	1/01/95	1/01/96	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **CARISSA M. WILLIAMS, (UNMARRIED)**
LOCATION: **43A WICKLIEFE STREET, NEWARK, NJ 07103 (22M) LOT:22.25 BLOCK:406**

CERTIFICATE HOLDER

K. HOWNANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR ONE INDUSTRIAL WAY WEST, BLDG.D EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

Brian Kelly

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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NJ 07103

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/95	1/01/96	GENERAL AGGREGATE \$ 500000
					PRODUCTS-COMP/OP AGE \$ 500000
					PERSONAL & ADV. INJURY \$ 500000
					EACH OCCURRENCE \$ 500000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS \$
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blkt. Bldgs & Cnts	BC02900238	1/01/95	1/01/96	\$21,775,000.
A	Fidelity	BC02900238	1/01/95	1/01/96	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CARRISSA M. WILLIAMS, (UNMARRIED)
LOCATION: 43A WICKLIFFE STREET, NEWARK, NJ 07103 (22M) LOT:22.25 BLOCK:406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR ONE INDUSTRIAL WAY WEST, BLDG.D EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

Brian Kelly 010036000

K Hovnanian[®] Companies

APRIL 29, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: COACHMAN
Lot: 22.26 Block: 406
Address: 43B WICKLIFFE STREET
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: APRIL 28, 1994

Deed Amount: \$103,613.95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


ALFREDA E. COACHMAN

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036828



APRIL 29, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: COACHMAN
Lot: 22.26 Block: 406
Address: 43B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: APRIL 28, 1994

Deed Amount: \$103,613.95

Certificate of
Occupancy date: 04-20-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

ALFREDA E. COACHMAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036829

THIS INDENTURE
(Site C and E)

Dated APRIL 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALFREDA E. COACHMAN, UNMARRIED

the GRANTEE

about to reside at 43B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$103,613.95 ONE HUNDRED THREE THOUSAND SIX HUNDRED THIRTEEN AND .95/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. M2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7REQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.26, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

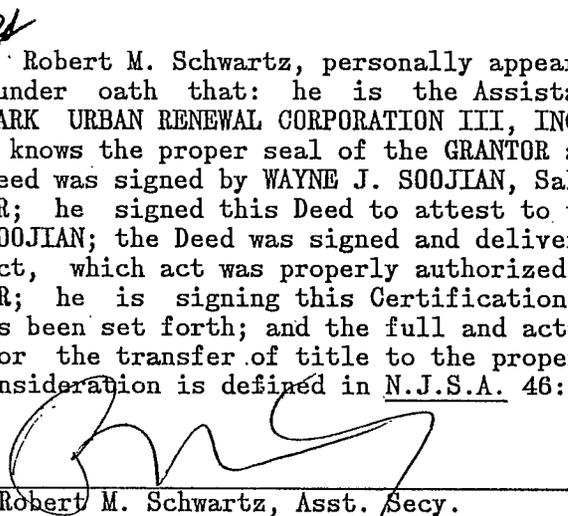
KHOV036857

Prepared by:

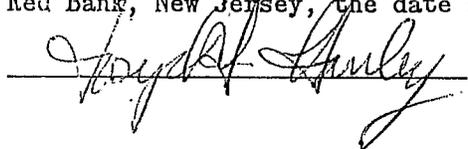
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 103,613.95.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnianian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28 day of APRIL, 1994.

GRANTEE ALFREDA E. COACHMAN GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28 day of APRIL, 1994, before me, the subscriber ALFREDA E. COACHMAN, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ALFREDA E. COACHMAN

CHARGE, RECORD AND RETURN TO BARBARA DANIELS, ESQUIRE
111 MULBERRY STREET/APT 1H
NEWARK, NJ 07102

KHOV036858

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

308-272-8100

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COMPANIES AFFORDING COVERAGE

INSURED

Soc. Hill @ University Hts. III
1/3 Eastern Community Mgmt
215 Highway 35
Red Bank
NJ 07701

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

COVERAGES

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A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCUR. OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	5000000 GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 3000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 50000 FIRE DAMAGE (Any one fire) \$ 5000 MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	Other Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
OWNER: ALFREDA E. COACHMAN, UNMARRIED

LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

CERTIFICATE HOLDER

PNC MORTGAGE CORPORATION OF AMERICA,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILL, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010038000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/28/94

PRODUCER

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21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANY LETTER B	
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COMPANY LETTER E	

INSURED

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c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	<input type="checkbox"/> OTHER A: Bldg. & Cnts BC02900238 A: Fidelity BC02900238		1/01/94	1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALFREDA E. COACHMAN, UNMARRIED
LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

CERTIFICATE HOLDER

PNC MORTGAGE CORPORATION OF AMERICA,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILL, IL 60061

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

01/28/04

PRODUCER

Meeker, Sharkey & MacBearn
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS \$ EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
	OTHER A Blkt Bldg. & Cnts A Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALFREDA E. COACHMAN, UNMARRIED
LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

CERTIFICATE HOLDER

PNC MORTGAGE CORPORATION OF AMERICA,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILL, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 3/1/94
DATE

X Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036889

OK

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

ALFREDA E. COACHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coachman

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNIANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): ALFREDA E. COACHMAN of 130 SOUTH 8TH STREET
 Tel: Res: (201) 623-1497 NEWARK
 Bus: (201) 733-7045 NJ , 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.26
 BLDG NO.: 22 , UNIT NO: M2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
 Consisting of:
 BASE PRICE OF MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	24-FEB-1994
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	24-FEB-1994
	ADDITIONAL DEPOSIT	\$	2,058.50	BY DATE	26-MAR-1994
	BALANCE at CLOSING	\$	98,891.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$101,950.00		

MORTGAGE AMOUNT : \$ 98,800.00 MORTGAGE CONTINGENCY DATE: 25-APR-1994
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
 Urban Renewal Corporation III, Inc.

Alfreda E. Coachman 2/24/94
 (BUYER) DATE

(BUYER) DATE

[Signature] 3.1.94
 (SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this ____ day of _____, 199____.

Buyer: Alfreda I. Coachman

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Alfreda I. Coachman
BUYER DATE

BUYER DATE

BY: Wayne Soojian DATE 5.1.94
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES

KHOV036895

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: R. HOVNIANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET
NEWARK
NJ 07107.
Tel: Res: (201) 623-1497
Bus: (201) 733-6446

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-AUG-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-AUG-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 13-SEP-1993
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnianian at Newark -
Urban Renewal Corporation III, Inc.

Alfreda E. Coachman 8/14/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

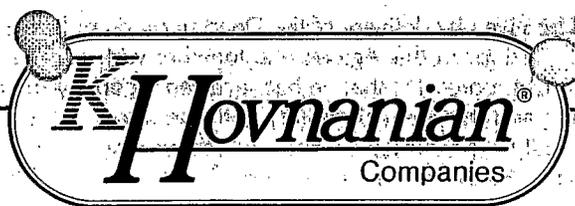
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreavey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

Handwritten signatures and initials: 'JWH', '22M2', and a large signature.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title; Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14 day of August, 1993.

Buyer: Alfreda E. Coachman

[Signature]
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Alfreda E. Coachman
BUYER
8/14/93
DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER: _____ DATE: _____

BY: [Signature] 8/16/93 DATE
WAYNE SOOJIN,
DIRECTOR OF MARKETING AND SALES

KHOV036899

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F1

The Purchase Agreement between ALFREDA E. COACHMAN BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/20/93.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,433.81
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 91,600.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-20-93
DATE

Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION
BY: [Signature]
WAYNE HOVNIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036900



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Gentry
Lot: 22.27 Block: 406
Address: 41A Wickliffe Street
NEWARK, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Closing date: 10/31/94
Deed Amount: \$104,644.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jonathan Gentry
Jonathan Gentry

Donavon Soumas
Donavon Soumas

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Kelly Higgins
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036921



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Gentry
Lot: 22.27 Block: 406
Address: 41A Wickliffe Street
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: 10/31/94

Deed Amount: \$104,644.00

Certificate of
Occupancy date: 10/14/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: K. HOVNANIAN MORTGAGE Co.

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

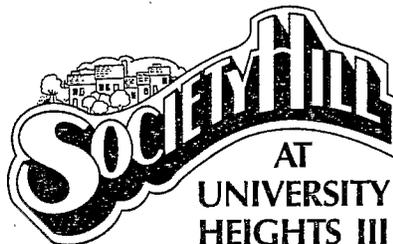
Very truly yours,

Jonathan Gentry
Jonathan Gentry

Donovan Soumas
Donovan Soumas

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Kelly Higgins
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036922

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** St. Paul Fire & Marine
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 95
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.	EC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cmts	EC02900238	1/01/94	1/01/95	\$11,475,000. ALL RISK
A	Fidelity	EC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JONATHAN H. GENTRY, UNMARRIED AND DONAVON P. SCUMAS, UNMARRIED
LOC: 41A WICKLIFFE ST. 22 NL, NEWARK, NJ 07103 (22NL) LOT: 22.27 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTERESTS MAY APPEAR
ONE INDUSTRIAL WAY WEST
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

KHOV036945

THIS INDENTURE
(Site C and E)

Dated OCTOBER 31, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JONATHAN GENIRY AND DONAVON SOUMAS, UNMARRIED

the GRANTEE

about to reside at 41A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of (\$104,644.00) ONE HUNDRED FOUR THOUSAND SIX HUNDRED FORTY-FOUR AND NO CENTS Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. N1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.27, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

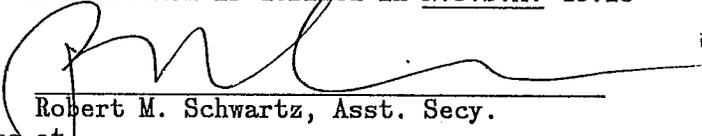
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV036953

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On OCTOBER 31, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$104,644.00.



Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31 day of OCTOBER, 1994.

GRANTEE JONATHAN GENIRY GRANTEE DONAVON SCUMAS

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31 day of OCTOBER, 1994, before me, the subscriber _____, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
JONATHAN GENIRY AND DONAVON SCUMAS

CHARGE, RECORD AND RETURN TO _____
PATRICIA A. HURT, ESQ.
16 GREEN STREET, 3RD FLR., NEWARK, NJ 07103

KHOV036954

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry

Donavon P. Soumas, BUYER

UNIT N1, BUILDING 27, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

* Jonathan H. Gentry 8/27/94
BUYER DATE

* Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV036964

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22 UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)
Donavon P. Souma, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/13/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

8/27/94
DATE

x Jonathan H. Gentry
BUYER

x Donavon P. Souma
BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV036965

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): JONATHAN H GENTRY (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () - NJ ,07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
 Tel: Res: (201) 481-7612 NEWARK
 Bus: () - NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.27
 BLDG NO.: 22 , UNIT NO: N1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	13-AUG-1994
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	13-AUG-1994
	ADDITIONAL DEPOSIT	\$	2,118.50	BY DATE	12-SEP-1994
	BALANCE at CLOSING	\$	100,831.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$103,950.00		

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994 /
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc. _____ (SELLER)	8/10/94 _____ DATE	* Jonathan H. Gentry 8/13/94 _____ (BUYER) DATE	* Donavon P. Soumas 8/13/94 _____ (BUYER) DATE
		_____	_____
		(BUYER)	DATE
		_____	_____
		(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036969



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: Jonathan H. Sentry

Buyer: Donavon P. Soumar

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER: Jonathan H. Sentry 8/13/94 DATE

BUYER: Donavon P. Soumar 8/13/94 DATE BY: [Signature] 8/13/94 DATE

KHOV036973

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22 UNIT: N2

The Purchase Agreement Between DEBRA W. SMITH, BUYER(S)

ROSA A. SOSA, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/95.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 116,608.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,608.70
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,100.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 114,998.70

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

3/3/95
DATE

Debra Smith
BUYER

Rosa A. Sosa
BUYER

BUYER

SELLER CORPORATION:

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN

KHOV036975

XXX

K.ROMANIAN GNDPANC-URB REMEDIAL CORP III

D.S.No : 14-02-82

PROJECT : IN - SOCIETY (III) & UNIV. BELTUNG III ETC

Printed: 03-MAR-1995

BLOK NO: 22 UNIT: N2
MODEL : 5TH1330-II SUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SMITH
CONTRACT DATE: 06-NOV-1994

SELECTION-NO	A	DESCRIPTION	A	MODEL	SIZE	A	COLOR	A	QUANTITY	PRICE
01---APPLIANCES---										
ABX01		DISHWASHER		660500	24"		ALMOND	ALMOND		200.00
AEX02		REFRIGERATOR		19.1 CF REFRIGERATOR	19.1CU FT		ALMOND	ALMOND		120.00
ANX01		KITCHENWARE OVEN		OVER RANGE (NOV-VIRT)	JUMP 31BL		BLACK	BLACK		405.00
AQU01		RANGE		UPGRADE SELF CLEAN	JHP23AGE		ALMOND	ALMOND		175.00
AWX01		WASHER		WASHER 16 CAPACITY	W0662-00		WHITE	WHITE		435.00
AYX01		DRYER		DRYER - 4 CYCLE	XT80005900		WHITE	WHITE		355.00
02---CABINETS---										
KCU01		KITCHEN CABINETS		SHIMMERILL (SO)						160.00
KT300		KITCHEN COUNTERTOPS		STANDARD COUNTERTOP		630-6	NATURAL	ALMOND		0.00
03---FLOORING---										
Zone: 01		2ND FLOOR CARPETING		CRYSTAL VALLEY	40	61.67 SY	1442	TEAL TOUCH	PCC0101A04	
Zone: 02		1ST FLOOR STAIR/HALL CARPETING		CRYSTAL VALLEY	40	65.67 SY	1442	TEAL TOUCH	PCC0102A04	
Zone: 03		KITCHEN/ENTRY LINOLEUM FLOORING		DESIGNER		17.67 SY	09271		PCC0103A03	
		Package includes UFSRACG Patching in carpeted areas								
XF501		FLOORING PACKAGES -- STANDARD LAYOUT								2770.70
04---SELECTIONS: INTERIOR---										
NS000		BIFOLD DOORS		LINEN	RTN BIFOLD	2'0"				0.00
NS001		BIFOLD DOORS		DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"				200.00
NS002		BIFOLD DOORS		DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"				200.00
NS002		SLIDER DOORS		BR 12 STD SLIDER	STD SLIDER	4'0"				0.00
NS001		SLIDER DOORS		REST BR HI-SLIDER	HI-SLIDER	3'0"				150.00

0.00

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : *[Signature]* 3/7/95

GRAND TOTAL \$ 6630.70
Incl. Mortg. Grd \$ 4750.70
AMOUNT DUE NOW \$ 0.00
NOT PAID
AMOUNT DUE AT CLOS \$ 6630.70

SALES REP : *[Signature]*
SALES REP : *[Signature]* 3-6-95
CONST. NO: *[Signature]* 3/7/95

6658.70

KHOV036977

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: R. HOVRANTIAN URBAN RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
JERSEY CITY
NJ , 07304.
Tel: Res: (201) 434-5290
Bus: (212) 746-5221

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 7
WEST NEW YORK
NJ , 07093.
Tel: Res: (201) 869-1791
Bus: (212) 631-7373

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.2B
BLDG NO.: 22 , UNIT NO: B2 , MODEL: SM1230-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovrantian at Newark
Urban Renewal Corporation III, Inc.

[Signature] DATE

[Signature] 2/24/95 DATE
[Signature] 2/24/95 DATE
[Signature] DATE
[Signature] DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV036978



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Debra Smith*

Buyer: *[Signature]*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Debra Smith *8/24/95*
BUYER DATE

[Signature] *2/24/95*
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* *2-28-96*
DATE

KHOV036982

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
 Tel: Res: (201) 434-5290 JERSEY CITY
 Bus: (212) 746-5221 NJ , 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 22.28
 BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :

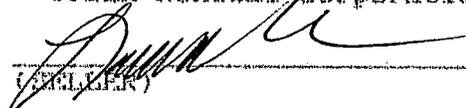
INITIAL DEPOSIT	\$ 0.00	ON DATE	06-NOV-1994
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-NOV-1994
ADDITIONAL DEPOSIT	\$ 2,298.50	BY DATE	06-DEC-1994
BALANCE at CLOSING	\$106,651.50	PAID by	CERTIFIED CHECK
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Total PAYMENT	\$109,950.00		

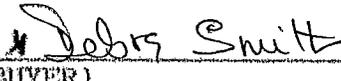
MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
 Estimated COMPLETION DATE: 15-FEB-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.


 (SELLER) 11-10-94
 DATE

	11/6/94
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE
_____	DATE
(BUYER)	DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV036983



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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27. ATTORNEY REVIEW	4

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

THIS INDENTURE
(Site C and E)

Dated MAY 31, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBRA W. SMITH (MARRIED), ROSA A. SOSA (MARRIED)

the GRANTEE

about to reside at 41B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$114,998.70 ONE HUNDRED FOURTEEN THOUSAND, NINE HUNDRED NINETY-EIGHT AND 70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. N2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

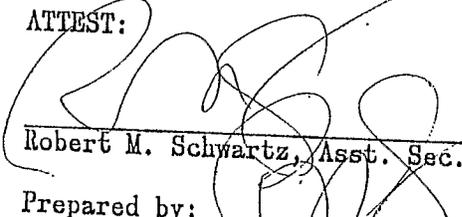
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.28, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

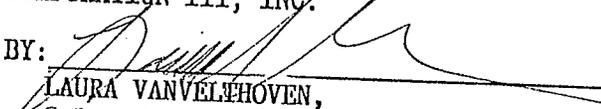
ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

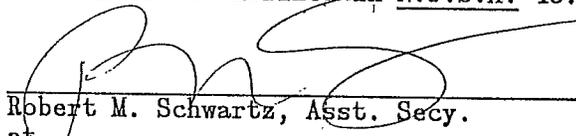
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVLEETHOVEN,
Sales Manager

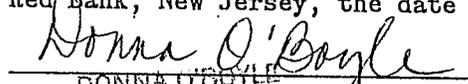
KHOV036998

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 31, 1995 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN, Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 114,998.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31ST day of MAY, 1995.

GRANTEE DEBRA W. SMITH

GRANTEE ROSA A. SOSA

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31ST day of MAY, 1995, before me, the subscriber DEBRA W. SMITH ROSA A. SOSA, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to DEBRA W. SMITH / ROSA A. SOSA

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BOULEVARD
NEWARK, NJ 07102

KHOV036999

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

12/29/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	St. Paul Fire & Marine
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

Soc.Hill @ University Hts.III
1 Cornerstone Lane
Newark

NJ 07103

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/95	1/01/96	GENERAL AGGREGATE \$ 5000000
					PRODUCTS-COMP/OP AGG. \$ 5000000
					PERSONAL & ADV. INJURY \$ 5000000
					EACH OCCURRENCE \$ 5000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Bikt. Bldgs & Cnts Fidelity	BC02900238 BC02900238	1/01/95 1/01/95	1/01/96 1/01/96	\$21,775,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DEBRA W. SMITH (MARRIED) AND ROSA A. SOSA (MARRIED)
 LOC: 41B WICKLIFFE STREET, NEWARK, NJ 07103 (22N2) LOT:22.28 BLOCK:406

CERTIFICATE HOLDER

FIRST TOWN MORTGAGE CORPORATION AND/OR SECRETARY OF HOUSING AND URBAN DEVELOPMENT, ITS SUCCESSORS, AND/OR ASSIGNS AS THEIR INTERESTS MAY APPEAR
 400 INTERSTATE NORTH PARKWAY
 SUITE 1100
 ATLANTA, GA. 30339

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

010036000

ACORD 25-S (7/90)

© ACORD CORPORATION 1990

KHOV037008



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Smith
Lot: 22.28 Block: 406
Address: 41B Wickliffe Street
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: 5/31/95

Deed Amount: \$114,998.70

Certificate of
Occupancy date: 7/19/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: FIRST TOWN MORTGAGE CORPORATION

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Debra Smith
Debra Smith

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037032

K Hovnanian[®] Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

___ Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Smith
Lot: 22.28 Block: 406
Address: 41B Wickliffe Street
NEWARK, NJ 07103

Closing date: 5/31/95

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The bank who holds our mortgage is: FIRST TOWN MORTGAGE CORPORATION

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

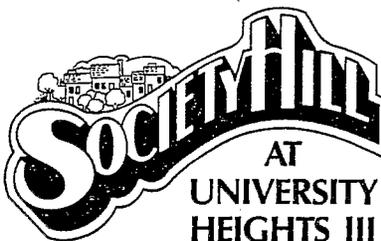
Please change your account records immediately to reflect the above.

Very truly yours,

Debra Smith
Debra Smith

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Closing Assistant



by K. Hovnanian-at Newark
Urban Renewal Corporation III, Inc.

KHOV037033

SUMMARY OF BASIC PROVISIONS

IC30

The SELLER: K. HOVNIANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): M GERMAN of 231 Elmwood Ave PO BOX 1360 Maplewood, NJ 07040
Tel: Res: (201) 761-0535
Bus: (201) 596-5292

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.01
BLDG NO.: 23 , UNIT NO: A1 , MODEL: STH1330-C >LOWER

The PURCHASE PRICE : \$ 93,950.00
Consisting of:
BASE PRICE of MODEL \$ 93,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 15-MAR-1995
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-MAR-1995
ADDITIONAL DEPOSIT \$ 1,818.50 BY DATE 14-APR-1995
BALANCE at CLOSING \$ 91,131.50 PAID by CERTIFIED CHECK
Total PAYMENT: \$ 93,950.00

MORTGAGE AMOUNT : \$ 90,662.00 MORTGAGE CONTINGENCY DATE: 14-MAY-1995
Estimated COMPLETION DATE: 31-APR-1995
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark Urban Renewal Corporation III, Inc. (SELLER) 4-10-95 DATE
L. Germain (BUYER) 4/16/95 DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McCreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV037132

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

X Buyer: L M German

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X L M German 3/13/95
BUYER DATE

BUYER DATE

BY: [Signature] 4-10-95
DATE

KHOV037133

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.



REMEMBER:
Sign everywhere you see this "Check".

DATE: 4/6/95

LOAN NUMBER:

APPLICANT(S): Latina German

ADDRESS: 74 Colleen Ct. Newark, N.J.

FHA/VA #:

AMENDATORY CLAUSE

It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$ 93,950.

The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation.

The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development or the U.S. Department of Veterans Affairs Loan Guaranty Service or Division (whichever is appropriate) will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and the condition of the property are acceptable.

CERTIFICATION

We, the undersigned, the Seller(s), the Buyer(s) and the Broker(s) involved in this transaction each certify that the terms of the contract for purchase dated 3/15/95 are true to our best knowledge and belief, and that any other agreement entered into by any of these parties in connection with this transaction is attached to the Agreement of Sale.

✓ Latina M German 4/6/95
(Purchaser) (Date)

✓ [Signature] 4-10-95
(Seller) (Date)

✓ _____
(Purchaser) (Date)

✓ _____
(Seller) (Date)

✓ _____
(Purchaser) (Date)

✓ _____
(Realtor) (Date)

✓ _____
(Purchaser) (Date)

KHOV037137

WHITE — Lender YELLOW — Applicant





SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

The BUYER(S):

La Tina M. Germain of (u) Telephone: (201) 747-7800 P.O. BOX 231 Elmwood Ave. 1360,

Maplewood, NJ 07040 (201) (201) ZIP Telephone: 761-0535 Res. 596-5292 Work

Telephone: _____ Res. _____ Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights II, Newark, NJ

BLDG. NO.: 23, UNIT NO.: A-1, MODEL: STH 1330 (Patio)

THE PURCHASE PRICE: \$ 93,950.00

Consisting of: BASE PRICE of MODEL: \$ 93,950.00 and Premiums:

The PAYMENT TERMS:

INITIAL DEPOSIT \$ 1,000.00 ON DATE 03-13/19 95 ON SIGNING CONTRACT \$ 0,000.00 BY DATE 03-20/19 95 ADDITIONAL DEPOSIT \$ 2,288.00 BY DATE 04-13/19 95 and the BALANCE of \$ 90,662.00 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 93,950.00

MORTGAGE AMOUNT: \$ 90,662.00 MORTGAGE CONTINGENCY DATE 04-13/19 95 ESTIMATED COMPLETION DATE 04-13/19 95 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X L M Germain 3/13/95 (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

KHOV037143

(BUYER) DATE

(RECEIVED) DATE



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23 A1 MODEL: 1330 G.

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/15/95, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Signature: Leticia M German DATE: 3/15/95

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV037147

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Cordelia Gregory

BUYER

UNIT 23, BUILDING A2, PURCHASE AGREEMENT DATE 11/19/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY JANUARY 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Cordelia Gregory 12/3/94
BUYER DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037179

gub

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Cordelia Gregory
_____, BUYER

UNIT 23, BUILDING A2, PURCHASE AGREEMENT DATE 11/17/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY JANUARY 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Cordelia Gregory 12/3/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

SUB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: A2

The Purchase Agreement Between Cordelia Gregory, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 11/19/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,592.08
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 95,592.08
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 94,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,592.08
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

x 12/3/94
DATE

x Cordelia Gregory
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037182

SLB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: A2

The Purchase Agreement Between Cordelia Gregory, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11/19/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,592.08
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 95,592.08
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 94,950.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,592.08

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

x 12/3/94
DATE

x Cordelia Gregory
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation II, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800
The BUYER(S): Cordelia Gregory of 8 Monticello Ave Newark, NJ 07106 Telephone: (201) 371-6465 Res: (98) 248-2155 Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title. The PROPERTY: PROJECT : Society Hill at University Heights II, Newark, NJ

BLDG. NO.: 23, UNIT NO.: A2, MODEL: STA 1330-4

THE PURCHASE PRICE: \$99,950.00
Consisting of:
BASE PRICE of MODEL: \$99,950.00
and Premiums:

The PAYMENT TERMS: INITIAL DEPOSIT \$1,000.00 ON DATE 11-19-94
ON SIGNING CONTRACT \$- BY DATE -/19-
ADDITIONAL DEPOSIT \$4,000.00 BY DATE 12-19-94
and the BALANCE of \$94,950.00 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$99,950.00
MORTGAGE AMOUNT: \$94,950.00 MORTGAGE CONTINGENCY DATE January 3 1995
ESTIMATED COMPLETION DATE January 27 1995
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Cordelia Gregory 11/19/94
(BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

SELLER [Signature] 11-21-94 DATE

KHOV037184

Execution of both this Summary and the attached "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" is required.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Cordelia Gregory*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Cordelia Gregory 11/19/94
BUYER DATE

BUYER DATE

BY: *[Signature]* 11-21-94
DATE

prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank; 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at Newark Urban Renewal Corporation II, Inc. Located at: 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701 Telephone: (201) 747-7800

The BUYER(S): Cordelia Gregory of 8 Monticello Ave, Newark, NJ 07106 ZIP (201) 371-6465 Res: (718) 248-2155 Work

Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.
 The PROPERTY: PROJECT : Society Hill at University Heights II, Newark, NJ
 BLDG. NO.: 23, UNIT NO.: A2, MODEL: STA 1330-4

THE PURCHASE PRICE: \$ 99,950.00
 Consisting of:
 BASE PRICE of MODEL: \$ 99,950.00
 and Premiums:
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____

The PAYMENT TERMS: INITIAL DEPOSIT \$ 1,000.00 ON DATE 11-19, 1994
 ON SIGNING CONTRACT \$ _____ BY DATE _____ / 19____
 ADDITIONAL DEPOSIT \$ 4,000.00 BY DATE 12-19, 1994
 and the BALANCE of \$ 94,950.00 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 99,950.00
 MORTGAGE AMOUNT: \$ 94,950.00 MORTGAGE CONTINGENCY DATE January 3 1995
 ESTIMATED COMPLETION DATE January 27 1995
 MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Cordelia Gregory 11/19/94
 (BUYER) DATE

 (BUYER) DATE

 (BUYER) DATE

 SELLER DATE (BUYER) DATE

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.

ES169375bp



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23A2 . MODEL: STH 1330 U

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Table with 2 columns: BUYER, DATE. Four rows for signature and date.



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV037201

gjb

SUMMARY OF BASIC PROVISIONS

FC10

The SELLER: K. HOVNANIAN NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): ERIC M. FORSON (W) of 121 SHEPARD AVENUE TEANECK NJ 07666. Tel: Res: (201) 837-8022 Bus: (201) 961-1352

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 23.03 W/EG NO.: 23 UNIT NO: N1 MODEL: STH1050-GM SLOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00 Consisting of: BASE PRICE OF MODEL \$ 61,200.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1994 ADDITIONAL DEPOSIT \$ 836.00 BY DATE 31-OCT-1994 BALANCE AT CLOSING \$ 59,364.00 PAID BY CERTIFIED CHECK Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,360.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1994 Estimated COMPLETION DATE: 01-APR-1994 DV-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

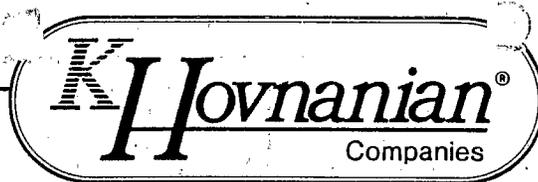
K. Hovnanian at Newark - Urban Renewal Corporation III, Inc. [Signature] 10/3/94 [Signature]

[Signature] 10-1-94 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarans, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

KHOV037238



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

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13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain; plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *[Signature]*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 10-1-94
BUYER DATE

BUYER DATE

BY: *[Signature]* 10/3/94
DATE

KHOV037242



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Eric Fortson

BLDG/UNIT: 3331

MODEL: 1050

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 10/1, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Eric Fortson 10-1-94 BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV037245

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K HOVNANIAN BENEWARK-URB-RENEWAL CORP. Located at: 10 HWY 35, P.O. BOX 500, RED BANK, NJ 07701.

The BUYER(S): ROEVENIA PARKER (W) of 719 MARTIN LTHR. KING BLVD, #403 NEWARK, NJ 07102. Tel: Res: (201) 643-0209, (201) 733-4788, (201) 733-5811.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 23.04, BLDG NO: 23, UNIT NO: B2, MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE: \$ 63,700.00. Consisting of: BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 15-MAR-1994. ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-MAR-1994. ADDITIONAL DEPOSIT of \$ 911.00 BY DATE 14-APR-1994. BALANCE at CLOSING \$ 61,789.00 PAID BY CERTIFIED CHECK

MORTGAGE AMOUNT \$ 60,600.00. MORTGAGE CONTINGENCY DATE: 14-MAY-1994. Estimated COMPLETION DATE: 01-APR-1994. Total PAYMENT \$ 63,700.00.

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark, Urban Renewal Corporation/III, Inc.

[Signature] 3/28/94

X Ms. Roevenia Parker 3-15-94 (BUYER) DATE. (BUYER) DATE. (BUYER) DATE. (BUYER) DATE.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

N O T I C E T O P U R C H A S E R

THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE TO THE DEVELOPER BY MAIL BY THE TENTH CALENDAR DAY FOLLOWING THE DATE OF RECEIPT OF A COPY OF THE PUBLIC OFFICIAL STATEMENT IS EXERCISED BY THE PURCHASER AND ALL MONIES PAID SHALL BE REFUNDED IN THEIR ENTIRETY.

K HOVNANIAN BENEWARK-URB-RENEWAL CORP. 10 HWY 35, P.O. BOX 500 RED BANK, NJ 07701 (908) 733-5811

KHOV037277

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500, RED BANK, NEW JERSEY 07701.

The BUYER(S): ROEVENIA PARKER (u) of 719 MARTIN LTHR. KING BLVD, #403 NEWARK, NJ 07102. Tel: Res: (201) 543-0209 Bus: (201) 733-4788

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 23.04 BLDG NO: 23, UNIT NO: B2, MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE: \$63,700.00 Consisting of: BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 15-MAR-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-MAR-1994 ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-APR-1994 BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT \$ 60,600.00 MORTGAGE CONTINGENCY DATE: 03-MAY-1994 Estimated COMPLETION DATE: 01-APR-1994

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation/III, Inc.

[Signature] DATE: 3/28/94

X Ms. Roevenia Parker 3-15-94 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

NOTICE TO PURCHASERS

THE RIGHT TO CANCEL THIS CONTRACT OR TO REScind BY SENDING OR DELIVERING A WRITTEN NOTICE OF CANCELLATION TO BE RECEIVED BY A CARRIER OR BY MAIL ON THE CALENDAR DAY FOLLOWING THE DATE THIS AGREEMENT IS EXECUTED (NOT LATER THAN 5:00 PM) AND ALL SPENDING MADE HEREIN SHALL BE IN THEIR ENTIRETY.

K. HOVNANIAN (NEWARK-URB RENEWAL CORP) 10 HWY 35, P.O. BOX 500 RED BANK, NJ 07701 (908) 337-1111

KHOV037278

S U M M A R Y O F B A S I C P R O V I S I O N S

1C15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (located at:
 10 HWY 35, P.O. BOX 500
 RED BANK --
 NEW JERSEY 07701.

The BUYER(S): PARKER BOLEVENIA (U) of 718 MARTIN LTHR. BLVD., #403
 Tel: Res: (201) 843-0209 NEWARK
 Bus: (201) 733-4788 NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 466 LOT NO: 23.04
 BLDG NO: 23 UNIT NO: 02 MODEL: 5PH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :

INITIAL DEPOSIT	\$	0.00	ON DATE	04-MAR-1994	
ON SIGNING CONTRACT	\$	1,000.00	ON DATE	04-MAR-1994	
ADDITIONAL DEPOSIT	\$	911.00	BY DATE	03-APR-1994	
BALANCE at CLOSING	\$	61,789.00	PAID by CERTIFIED CHECK		
-Total PAYMENT		\$ 63,700.00			

MORTGAGE AMOUNT : \$ 60,600.00 MORTGAGE CONTINGENCY DATE: 03-MAY-1994
 Estimated COMPLETION DATE: 01-APR-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
 Urban Renewal Corporation III, Inc.

X Ms. Boavenia Parker 3/4/94
 (BUYER) DATE

_____ (SELLER)	_____ DATE	_____ (BUYER)	_____ DATE
		_____ (BUYER)	_____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV037279



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: PARKER BLDG/UNIT: 23 B2 MODEL: STH1050

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3-4-94, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X [Signature] BUYER 3-15-94 DATE

BUYER DATE

BUYER DATE

BUYER DATE



KHOV037281

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Valencia C. Emanuel

_____, Buyer.

UNIT: 23 BLDG.: C1 PURCHASE AGREEMENT DATE: 4/6/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 42,78.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/5/94

"SELLER"

K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE X 5/2/94

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

X Valencia Emanuel

KHOV037285

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Valencia C. Emanuel

_____, Buyer.

UNIT: C1 BLDG.: 23 PURCHASE AGREEMENT DATE: 4/6/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnanian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

x Valencia Emanuel 4/6/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037287

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: C1

The Purchase Agreement Between Valencia C. Emanuel, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/6/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,422.78
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,014.78
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,408.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 99,250.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,422.78.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/6/94
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037288

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): VALENCIA C EMANUEL (u) of 3534 TRYON
Tel: Res: (718) 654-1043 BRONX
Bus: () NY ,10467.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.05
BLDG NO.: 23 , UNIT NO: C1 , MODEL: SCHLEBO-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE OF MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-APR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-APR-1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 06-MAY-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK

Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$101,600.00 MORTGAGE CONTINGENCY DATE: 05-JUN-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc

Valencia Emanuel 4/6/94

(BUYER) DATE

[Signature] 4/14/94

(BUYER) DATE

(BUYER) DATE

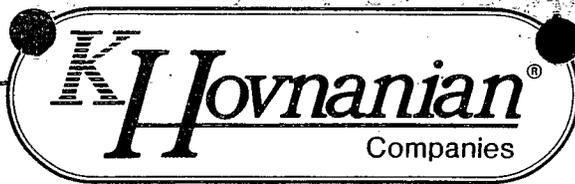
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037305



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment; then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss:
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6 day of April, 1994.

Buyer: X Valencia Emanuel

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Valencia Emanuel 4/6/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: [Signature] 4/14/94
DATE

KHOV037309



U.S. MAIL PERMIT NO. 1000 WASHINGTON, DC 20001

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

PERMIT NO. 1000

POSTAGE

PAID

POSTAGE WILL BE PAID BY ADDRESSEE

NAME: KHOUVANGSIAN, MS
ADDRESS: 12345 67890
CITY: WASHINGTON DC 20001

NAME

ADDRESS

CITY

NAME

ADDRESS

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KHOV037310



RE: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23C1 MODEL: STH 1330 G

RECEIPT FOR PERSONALLY DELIVERED PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/6/94, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Handwritten signature and date 4/6/94

BUYER

DATE

BUYER

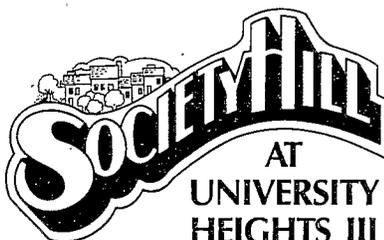
DATE

BUYER

DATE

BUYER

DATE



AT UNIVERSITY HEIGHTS III by K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

KHOV037313

CJB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23 UNIT: C2

The Purchase Agreement Between Oswald S. Francis, BUYER(S)
Rardi S. Francis, BUYER(S)

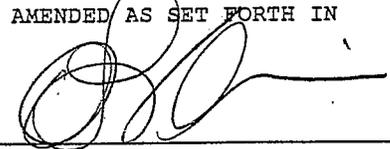
and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/30/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 117,453.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,453.70
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,962.02
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 115,238.70

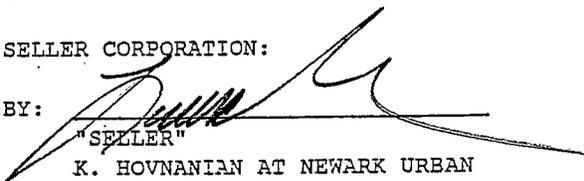
- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-3-94
DATE

X 
BUYER

X Rardi Francis
BUYER

BUYER

SELLER CORPORATION:
BY: 
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV037359

CJB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: 02

The Purchase Agreement Between Oswald S. Francis, BUYER(S)

Randi S. Francis, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/30/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 117,453.70
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ _____
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,453.70
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,900.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 115,238.70.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-3-94
DATE

[Signature]
BUYER

Randi Francis
BUYER

BUYER

SELLER CORPORATION:

BY: _____
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV037360

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Oswald & Francis

Rand & Francis

, BUYER

UNIT 03, BUILDING 53, PURCHASE AGREEMENT DATE 7/30/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x [Signature] 8/19/94
BUYER DATE

x Rand Francis 8/19/94
BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037372

SB

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNIANIAN @NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701

The BUYER(S): OSWALD S FRANCIS (H) of 130 FENIMORE STREET/APT 51 BROOKLYN NY 11225. Tel: Res: (718) 941-4794 Bus: (212) 621-7801

RANDI L FRANCIS (W) of 130 FENIMORE STREET/APT 51 BROOKLYN NY 11225. Tel: Res: (718) 941-4794 Bus: ()

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 23.06 BLDG NO.: 23 UNIT NO: C2 MODEL: STM1330-U UPPER

The PURCHASE PRICE : \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-JUL-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JUL-1994 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 29-AUG-1994 BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 28-SEP-1994 Estimated COMPLETION DATE: 01-APR-1994 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark - Urban Renewal Corporation III, Inc. (SELLER) 8/4/94

(BUYER) 7/30/94 (BUYER) Randi Francis 7/30/94 (BUYER) (BUYER) (BUYER)

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

KHOV037382



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months' estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of July, 1994.

Buyer: [Signature]

Lisa M. Weems

Buyer: Randi Francis

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 7/30/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Randi Francis 7/30/94
BUYER DATE

BY: [Signature] 8/2/94
DATE

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY, NJ 07701.

The BUYER(S): OSWALD S FRANCIS (H) of 130 FENIMORE STREET/APT 51 BROOKLYN NY 11225. Tel: Res: (718) 941-4794 Bus: (212) 621-7801

RANDI POSI FRANCIS (W) of 130 FENIMORE STREET/APT 51 BROOKLYN NY 11225. Tel: Res: (718) 941-4794

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C BLOCK NO: 406 LOT NO: 23.06 BLDG NO: 23 UNIT NO: C2 MODEL: STH1330-U >UPPER

The PURCHASE PRICE: \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 30-JUL-1994 ASSIGN ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JUL-1994 NO ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 29-AUG-1994 DEC BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK

MORTGAGE AMOUNT: \$106,650.00 MORTGAGE CONTINGENCY DATE: 28-SEP-1994 Estimated COMPLETION DATE: 01-APR-1994

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. S. Hovnanian at Newark Urban Renewal Corporation III, Inc. (SELLER) RANDI FRANCIS (BUYER) DATE 7/30/94

1. DEPOSITS - All deposits shall be held in escrow... (BUYER) at University Heights... DATE... (SELLER) on 11, Inc. until closing of title or termination of this Contract... DATE... escrow be released prior to the expiration of the escrow... DATE...

2. CLOSING CHARGES - Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank NJ 07701

3. ADJUSTMENT - Taxes... 4. CLOSING OF TITLE - Closing shall take place... 5. TITLE - Seller agrees to deliver a Bargain and Sale deed with Covenant Against Grantor's Acts, Affidavit of Title, and...

KHOV037388



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Randi + Mrs. Francis* BLDG/UNIT: *2362* MODEL: *1330*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *July 30*, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

[Signature]

BUYER DATE *7/30/94*

Randi Francis

BUYER DATE *7/30/94*

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037390

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT MONTCLAIR, NJ, INC., SELLER; AND

Cynthia Guinn

, BUYER

UNIT D1, BUILDING 23, PURCHASE AGREEMENT DATE 21-May-1994

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

X Cynthia Guinn 8/18/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT MONTCLAIR, NJ, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037423

SUB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT MONTCLAIR, NJ, INC., SELLER; AND

Cynthia Guinn

, BUYER

UNIT D1, BUILDING 23, PURCHASE AGREEMENT DATE 21-May-1994

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

X Cynthia Guinn 8/18/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT MONTCLAIR, NJ, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037426

S U M M A R Y O F B A S I C P R O V I S I O N S

TC15

The SELLER: K. HOVNIANIAN @NEWARK-URB RENEWAL CORP Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.

The BUYER(S): CYNTHIA D GUINN (u) of 2280 ANDREW AVE. #4H CDC
 Tel: Res: (718) 367-3920 BRONX
 Bus: (718) 293-7200 NY 10468.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 23.07
 BLDG NO.: 23 , UNIT NO: D1 , MODEL: STH1330-C >LOWER

The PURCHASE PRICE : \$103,950.00
 Consisting of:
 BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 21-MAY-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 21-MAY-1994
 ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 20-JUN-1994
 BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
 Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,000.00 MORTGAGE CONTINGENCY DATE: 20-JUL-1994
 Estimated COMPLETION DATE: 01-APR-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
 Urban Renewal Corporation III, Inc.

X Cynthia D. Guinn 5/21/94
 (BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

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20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages, and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 21 day of May, 1994.

Joseph J. Hanley

Buyer: X Cyril David J. ...

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X Cyril David J. ... 5/21/94
BUYER DATE

BUYER DATE

BY: [Signature] 5/31/94
DIRECTOR OF MARKETING AND SALES DATE

KHOV037446



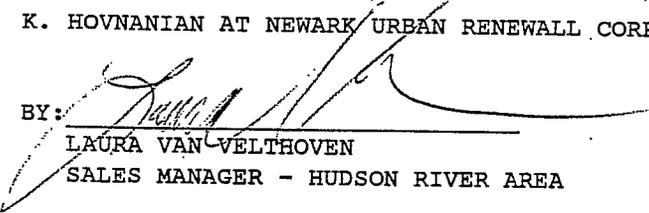
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ADDENDUM TO PURCHASE AGREEMENT
CLOSING COST CREDIT

TO: K. HOVNIANIAN AT SOCIETY HILL III C&E
BUILDING 235 UNIT D2
PURCHASER Michael A. Harris

K. HOVNIANIAN COMPANIES (SELLER) WILL PAY \$ 380.00, TOWARD CLOSING COSTS ON THE ABOVE TOWNHOME.

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III

BY: 
LAURA VAN VELTHOVEN
SALES MANAGER - HUDSON RIVER AREA

10-13-84
DATE


PURCHASER

PURCHASER

DATE

KHOV037478

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APC B515 NEWARK NJ 07104. Tel: Res: (201) 484-5654 Bus: (212) 916-2786

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 23.08 BLDG NO.: 23 , UNIT NO: D2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-JUL-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-JUL-1994 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-AUG-1994 BALANCE at CLOSING \$106,651.50 PAID by (CERTIFIED) CHECK Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$109,950.00 MORTGAGE CONTINGENCY DATE: 07-SEP-1994 Estimated COMPLETION DATE: 01-SEP-1994 BY-MON-YEAR

21-SEP-1994 M.A.H.

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

Michael Harris 7-9-94 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

[Signature] (SELLER) 7/18/94

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O.Box 500 Red Bank, NJ 07701

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP (located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B518 NEWARK NJ 07104. Tel: Res: (201) 484-5654 Bus: (212) 916-2786

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K. Hovnanian at Newark - Urban Renewal Corporation III, Inc.

(SELLER)

7/18/94 DATE

Michael Harris 7-9-94 (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

KHOV037504

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for a reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 9th day of July, 1994.

Buyer: Michael A. Harris

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Michael A. Harris 7-9-94
BUYER DATE

BUYER DATE

BY: [Signature] 7/18/94
DATE

KHOV037508

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AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33 UNIT: D3

The Purchase Agreement Between Michael A. Harris, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

July 16, 1994
DATE

Michael A. Harris
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
"SELLER"

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

SB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Michael A. Harris

BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris

BUYER

July 30, 1994
Date

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY:

Laura VanVelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037516

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AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23 UNIT: D3

The Purchase Agreement Between Michael A. Harris, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03.

- 6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
- 7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

July 16, 1994
DATE

Michael A. Harris
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

SB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Michael A. Harris

_____, BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris

BUYER

July 30, 1994
Date

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY:

[Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037522

SB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND
Michael A. Harris

_____, BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris
BUYER

July 30, 1994
Date

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037527

Handwritten scribble

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33 UNIT: D2

The Purchase Agreement Between Michael A. Harris, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/9/94.

- 1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
- 2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
- 3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
- 4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
- 5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

July 16, 1994
DATE

Michael A. Harris
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
"SELLER"
K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

KHOV037537

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNIANTIAN (NEWARK) URB RENEMAL CORP Located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT 1515 NEWARK NJ 07104 Tel: Res: (201) 484-5654 Bus: (212) 916-2786 Paragraph # 200

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC NEWARK, NEW JERSEY. BLOCK NO: 406 LOT NO: 23.08 BLDG NO: 23 UNIT NO: D2 MODEL: 8TH 330-U SUPPR

The PURCHASE PRICE : \$109,950.00 Consisting of: BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-JUN-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-JUN-1994 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-AUG-1994 BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK Total PAYMENT \$109,950.00

MORTGAGE AMOUNT \$109,950.00 MORTGAGE CONTINGENCY DATE: 07-SEP-1994 Estimated COMPLETION DATE: 01-SEP-1994 BY-MON- YEAR 21-SEP-1994 M.A.H.

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark Urban Renewal Corporation III, Inc. (SELLER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

**AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)**

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.
Seller; and

Michael A. Harris

Buyer.

UNIT D2, BLDG. 23

PURCHASE AGREEMENT DATED: July 2, 1994

(1) This Agreement between and hereby is amended

Lisa

ions of the Purchase on the above date be

(2) The Basic Provisions are changed and the Provisions and the be as follows:

New Contracts have to be done

th in the Summary of d its component parts the Summary of Basic chase Agreement shall

THE PUR

Price Made

Consist

Change has been done

BASE PR and Pre

_____\$ _____
_____\$ _____
_____\$ _____
_____\$ _____

old

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION

DATE July 2, 1994

"BUYER"
Michael A. Harris

WITNESS AS TO SIGNATURES OF ALL BUYERS;

Finn Weems

FORM PR/DOR
1/22/90

KHOV037539

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B515
 Tel: Res: (201) 484-5654 NEWARK
 Bus: (212) 916-2786 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 23.08
 BLDG NO.: 23 , UNIT NO: D2 , MODEL: STM1500-U >UPPER

The PURCHASE PRICE : \$114,950.00
 Consisting of:
 BASE PRICE of MODEL \$114,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	02-JUL-1994
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	02-JUL-1994
	ADDITIONAL DEPOSIT	\$	2,448.50	BY DATE	01-AUG-1994
	BALANCE at CLOSING	\$	111,501.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$114,950.00		

MORTGAGE AMOUNT : \$114,950.00 MORTGAGE CONTINGENCY DATE: 31-AUG-1994
 Estimated COMPLETION DATE: 01-APR-1994
 DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

Michael A Harris 07-2-1994
 (BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV037540



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with a closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of July, 1994

Buyer: Michael A. Harris

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Michael A. Harris 07-2-1994
BUYER DATE

BUYER DATE

BY: _____ DATE

KHOV037544



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Michael Harris* BLDG/UNIT: 23D2 MODEL: STH 1330 U

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on July 2, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Michael A. Harris *July 2, 1994*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT UNIVERSITY HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037548

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNIANIAN @NEWARK URB RENEWAL CORP (located at: 10 HWY 35, P.O. BOX 500 RED BANK NEW JERSEY 07701.

The BUYER(S): JULIET HOWARD (U) of 373 OLCOTT STREET ORANGE NJ 07050. Tel: Res: (201) 678-8771 Bus: (908) 582-2133

ANGELINE HOWARD (U) of 373 OLCOTT STREET ORANGE NJ 07050. Tel: Res: (201) 678-8771 Bus: ()

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS T11 E&C NEWARK, NEW JERSEY. BLOCK NO: 406, LOT NO: 23.09. PLNG NO.: 23, UNIT NO: E1, MODEL: SM11050-GM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00 Consisting of: BASE PRICE of MODEL \$ 61,200.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 26-FEB-1994 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-FEB-1994 ADDITIONAL DEPOSIT \$ 836.00 BY DATE 20-MAR-1994 BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 27-APR-1994 Estimated COMPLETION DATE: 01-APR-1994 (BY-MON-YEAR)

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark Urban Renewal Corporation III, Inc.

[Signature] 5/17/94 (SELLER) DATE

[Signature] 5/14/94 (BUYER) DATE [Signature] 5/14/94 (BUYER) DATE [Signature] (BUYER) DATE [Signature] (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Attn: H. Michael McGreevey 10 Highway 35, P.O. Box 500 Red Bank, NJ 07701

THIS PURCHASE AGREEMENT WILL SUPERSEDE AND TERMINATE THE PREVIOUS PURCHASE AGREEMENT DATED 2/26/94. HOWEVER, SINCE BUYER HAS ALREADY BEEN GIVEN THE REQUIRED SEVEN (7) DAY RIGHT OF RECISSION AND THREE (3) DAY ATTORNEY REVIEW, WHICH PROVISIONS HAVE EXPIRED, SUCH PROVISIONS FOR RIGHTS OF RECISSION IN THIS SUPERSEDING PURCHASE AGREEMENT ARE OF NO FORCE AND EFFECT.

KHOV037565

KHOV037566

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the pre-occupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a pre-occupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14th day of May, 1994.

Buyer: *Judith Howard*

Lisa M. Weems

Buyer: *Angeline Howard*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Judith Howard 5/14/94
BUYER DATE

Angeline Howard 5/14/94 BY: *[Signature]* 5/17/94
BUYER DATE DATE

KHOV037570

SUMMARY OF BASIC PROVISIONS

LC10

The SELLER: K.HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701

The BUYER(S): JULIET HOWARD (u) of 373 OLCOTT STREET
Tel: Res: (201) 678-8771 ORANGE
Bus: (908) 582-2133 NJ ,07050.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 23.09
BLDG NO: 23 , UNIT NO: E1 , MODEL: STH1050-GM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL. \$ 61,200.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 26-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-FEB-1994
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 28-MAR-1994
BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 27-APR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) [Signature] DATE 3-1-94

[Signature] 2/26/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, Nj 07701

KHOV037591



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

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20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

